

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**March 21, 2007**  
**Executive Summary**  
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A***  
***QUALIFIED RESIDENTIAL RENTAL PROJECT***

*Prepared by Sarah Lester.*

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**Applicant:** California Statewide Communities Development Authority

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**Allocation Amount Requested:** Tax-exempt \$4,600,000

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**Project Name:** **Vida Nueva Apartments**  
**Project Address:** 705 Rohnert Park Expressway West  
**Project City, County, Zip Code:** Rohnert Park, Sonoma, 94928

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**Project Sponsor Information:**  
**Name:** Vida Nueva Partners, LP (Burbank Housing Development Corporation and Community Housing Development Corporation of Santa Rosa)  
**Principals:** David W. Spillman, Jon Stark, John Lowry and Chuck Cornell for Burbank Housing Development Corporation; Margo Warnecke Merck, Stephen Harper and Paula Cook for Community Housing Development Corporation of Santa Rosa

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**Project Financing Information:**  
**Bond Counsel:** Jones Hall, A Professional Law Corporation  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Wells Fargo Bank, N.A.  
**TEFRA Hearing:** February 13, 2007

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 23, plus 1 manager unit  
**Type:** New Construction  
**Type of Units:** Family / Special Needs

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project: 100%**  
100% (23 units) restricted to 50% or less of area median income households.  
**Unit Mix:** 1, 2 and 3 bedrooms

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**Term of Restrictions:** 55 years

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<b>Estimated Total Development Cost:</b>	\$8,355,022
<b>Estimated Hard Costs per Unit:</b>	\$ 185,957 (\$4,277,000/23 units)
<b>Estimated per Unit Cost:</b>	\$ 363,262 (\$8,355,022/23 units)
<b>Allocation per Unit:</b>	\$ 200,000 (\$4,600,000/23 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 200,000 (\$4,600,000/23 restricted units)

The Project has total project costs that appear high for the geographic area in which it is located. According to the Project Sponsor, the high cost is due to high construction costs, materials, labor and State prevailing wage rates. The Project Sponsor states that these costs are spread over the projects small number of units, which explains the reason for the high cost per unit for the project. The County has been designated as a Difficult to Develop Area (DDA) by the Tax Credit Allocation Committee.

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$4,600,000	\$ 0
Developer Equity	\$ 0	\$ 396,362
LIH Tax Credit Equity	\$ 390,620	\$3,495,435
Direct & Indirect Public Funds	\$2,059,904	\$4,273,917
Other	<u>\$1,304,498</u>	<u>\$ 189,308</u>
Total Sources	<u>\$8,355,022</u>	<u>\$8,355,022</u>

<b>Uses of Funds:</b>	
Land Purchase	\$ 810,000
On-Site & Off-Site Costs	\$ 510,000
Hard Construction Costs	\$3,767,000
Architect & Engineering Fees	\$ 185,350
Contractor Overhead & Profit	\$ 380,000
Developer Fee	\$ 743,100
Cost of Issuance	\$ 125,000
Capitalized Interest	\$ 264,500
Other Soft Costs	<u>\$1,570,072</u>
Total Uses	<u>\$8,355,022</u>

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**Legal Questionnaire:**

Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. Legal issues disclosed by the Project Sponsor were vetted and were not determined to be grounds to deny the application. No information was disclosed in the application to question the financial viability of the Project or legal integrity of the Applicant.

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**Total Points:** 98 out of 128  
[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$4,600,000 in tax-exempt bond allocation.

**ATTACHMENT A**

**EVALUATION SCORING:**

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Federally Assisted At-Risk Project or HOPE VI Project	20	20	0
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	35	15	35
Gross Rents	5	5	5
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	8
New Construction	10	10	10
Negative Points	NA	NA	0
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>98</b>

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.