

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 Crystal Alvarez

Applicant: Springbrook Grove

Allocation Amount Requested: Tax-exempt \$10,190,000

Project Name: Springbrook Grove
Project Address: 435 Alturas Road
Project City, County, Zip Code: San Diego, CA 92028

Project Sponsor Information:
Name: SADI, LLC
Principals: Salim Karimi, Mansukh Sanathara, Gary Squier

Project Financing Information:
Bond Counsel: Jones Hall
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Capmark
TEFRA Hearing: February 7, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: (43, plus 1 manager unit)
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (43 units) restricted to 50% or less of area median income households; and

Unit Mix: 2, 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$ 15,089,474
Estimated Hard Costs per Unit:	\$ 180,286 (\$7,752,315/43 units)
Estimated per Unit Cost:	\$ 350,918 (\$15,089,474/43 units)
Allocation per Unit:	\$ 236,976 (\$10,190,000/43 units)
Allocation per Restricted Rental Unit:	\$ 236,976 (\$10,190,000/43 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$10,190,000	\$1,945,000
Developer Equity	\$1,682,000	\$688,000
LIH Tax Credit Equity	\$2,117,474	\$5,869,500
Direct & Indirect Public Funds	<u>\$1,100,000</u>	<u>\$352,000</u>
Total Sources	\$15,089,474	\$15,089,474

Uses of Funds:	
Land Purchase	\$1,522,174
On-Site & Off-Site Costs	\$800,000
Hard Construction Costs	\$6,952,315
Architect & Engineering Fees	\$425,000
Contractor Overhead & Profit	\$1,040,000
Developer Fee	\$1,682,000
Cost of Issuance	\$216,696
Capitalized Interest	\$590,316
Other Soft Costs	<u>\$1,860,973</u>
Total Uses	\$15,089,474

Legal Questionnaire:

The Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

Total Points: 90 out of 128

[See Attachment #A]

Recommendation:

Staff recommends that the Committee approve \$10,190,000 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	5
Sustainable Building Methods	8	8	5
New Construction	10	10	10
Negative Points	NA	NA	0
Total Points	128	108	90

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.