

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 23, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Richard Fischer.

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$6,000,000

Project Name: **Lachen Tara Apartments**
Project Address: Laurel Street and Avila Beach Drive
Project City, County, Zip Code: Avila Beach, San Luis Obispo, 93424

Project Sponsor Information:
Name: Peoples Self-Help Housing Corporation
Principals: Jeanette Duncan and Maura Shannon

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Wells Fargo Bank, N.A.
TEFRA Hearing: April 17, 2007

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 28, plus 1 manager unit
Type: New Construction
Type of Units: Family, Special Needs

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
86% (24 units) restricted to 50% or less of area median income households; and
14% (4 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1-, and 2-bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$8,682,418
Estimated Hard Costs per Unit:	\$ 204,221 (\$5,718,185/28 units)
Estimated per Unit Cost:	\$ 310,086 (\$8,682,418/28 units)
Allocation per Unit:	\$ 214,286 (\$6,000,000/28 units)
Allocation per Restricted Rental Unit:	\$ 214,286 (\$6,000,000/28 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$6,000,000	\$ 0
Developer Equity	\$ 0	\$ 338,370
LIH Tax Credit Equity	\$ 0	\$3,947,179
Direct & Indirect Public Funds	<u>\$2,106,000</u>	<u>\$4,396,869</u>
Total Sources	\$8,106,000	\$8,682,418

Uses of Funds:	
On-Site & Off-Site Costs	\$ 200,000
Hard Construction Costs	\$5,518,185
Architect & Engineering Fees	\$ 536,850
Contractor Overhead & Profit	\$ 672,654
Developer Fee	\$ 500,000
Cost of Issuance	\$ 240,810
Capitalized Interest	\$ 302,208
Other Soft Costs	<u>\$ 711,711</u>
Total Uses	\$8,682,418

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: 80.5 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$6,000,000 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	NA
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	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	2.5
Service Amenities	10	10	0
Sustainable Building Methods	8	8	8
New Construction	10	10	10
Negative Points	NA	NA	NA
Total Points	128	108	80.5

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.