

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 26, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Sarah Lester.

Applicant: California Municipal Financing Authority

Allocation Amount Requested: Tax-exempt \$12,486,471

Project Name: **Glen Ridge Apartments**
Project Address: North side of Cannon Road, East of future Wind Trail Way, and South of future Glen Avenue
Project City, County, Zip Code: Carlsbad, San Diego, 92008

Project Sponsor Information:
Name: CIC Glen Ridge, LP (Pacific Southwest Community Development Corporation and Ajax-Glen Ridge, LLC an affiliate of Chelsea Investment Corporation)
Principals: Jack K. Jaynes and Marco Antonio Reyes and James J. Schmidt

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: MMA Financial, Inc.
TEFRA Hearing: August 7, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 77, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
68% (52 units) restricted to 50% or less of area median income households; and
32% (25 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 and 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost: \$21,854,136

Estimated Hard Costs per Unit:	\$ 147,323	(\$11,343,895/77 units)
Estimated per Unit Cost:	\$ 283,820	(\$21,854,136/77 units)
Allocation per Unit:	\$ 162,162	(\$12,486,471/77 units)
Allocation per Restricted Rental Unit:	\$ 162,162	(\$12,486,471/77 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$12,486,471	\$ 4,050,000
Developer Equity	\$ 1,743,665	\$ 439,359
LIH Tax Credit Equity	\$ 6,524,000	\$ 9,329,000
Direct & Indirect Public Funds	\$ 0	\$ 6,935,777
Other (Sponsor Loan)	<u>\$ 1,100,000</u>	<u>\$ 1,100,000</u>
Total Sources	\$21,854,136	\$21,854,136

Uses of Funds:	
Land Purchase	\$ 1
On-Site & Off-Site Costs	\$ 1,480,972
Hard Construction Costs	\$ 9,862,923
Architect & Engineering Fees	\$ 1,233,115
Contractor Overhead & Profit	\$ 1,588,145
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 448,956
Capitalized Interest	\$ 933,837
Other Soft Costs(Marketing, etc.)	<u>\$ 3,806,187</u>
Total Uses	\$21,854,136

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: 92 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$12,486,471 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	0
Service Amenities	10	10	10
Sustainable Building Methods	8	8	7
New Construction	10	10	10
Negative Points	NA	NA	0
Total Points	128	108	92

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.