

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 Brady Hill.

Applicant: Housing Authority of the City of Chula Vista

Allocation Amount Requested: Tax-exempt \$16,747,436

Project Name: **The Landings Apartments**
Project Address: Discovery Falls Drive and Crossroads Street
Project City, County, Zip Code: Chula Vista, San Diego, 91915

Project Sponsor Information:
Name: CIC Landings, L.P. (Pacific Southwest Community Development Corporation and Ajax-Landings, LLC, an affiliate of Chelsea Investment Corporation)
Principals: Jack K. Jaynes, Michael T. Walsh and Marco Antonio Reyes for Pacific Southwest Community Development Corporation; James J. Schmid for Ajax-Landings, LLC, an affiliate of Chelsea Investment Corporation

Project Financing Information:
Bond Counsel: Stradling, Yocca, Carlson & Rauth
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: 91, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
48% (44 units) restricted to 50% or less of area median income households; and
52% (47 units) restricted to 60% or less of area median income households.
Unit Mix: 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$27,638,627
Estimated Hard Costs per Unit:	\$ 165,174 (\$15,030,867/91 units)
Estimated per Unit Cost:	\$ 303,721 (\$27,638,627/91 units)
Allocation per Unit:	\$ 184,038 (\$16,747,436/91 units)
Allocation per Restricted Rental Unit:	\$ 184,038 (\$16,747,436/91 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$16,747,436	\$ 6,004,000
Developer Equity	\$ 1,661,191	\$ 620,575
LIH Tax Credit Equity	\$ 8,305,000	\$11,863,000
Direct & Indirect Public Funds	<u>\$ 920,000</u>	<u>\$ 7,851,052</u>
Total Sources	\$27,638,627	\$27,638,627

Uses of Funds:	
Land Purchase	\$ 1
On-Site & Off-Site Costs	\$ 4,206,367
Hard Construction Costs	\$10,824,500
Architect & Engineering Fees	\$ 830,000
Contractor Overhead & Profit	\$ 2,104,321
Developer Fee	\$ 2,457,000
Cost of Issuance	\$ 525,893
Capitalized Interest	\$ 1,113,372
Other Soft Costs	<u>\$ 5,577,173</u>
Total Uses	\$27,638,627

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: 87.5 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$16,747,436 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	2.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	0
New Construction	10	10	10
Negative Points	NA	NA	NA
Total Points	128	108	87.5

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.