

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 23, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Walter Akiyama.

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$2,120,000

Project Name: Village Grove Apartments
Project Address: 675 South Farmersville Blvd.
Project City, County, Zip Code: Farmersville, Tulare, 93223

The proposed project is located in Community Revitalization area more specifically the Redevelopment Project Area 1C of the City of Farmersville.

Project Sponsor Information:

Name: Farmersville Pacific Associates, L.P.
(Roope, LLC and Kaweah Management Co.)
Principals: Caleb Roope and Kenneth Kugler

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Citibank
TEFRA Hearing: December 10, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 47, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Senior

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
11% (5 units) restricted to 50% or less of area median income households; and
89% (42 units) restricted to 60% or less of area median income households.
Unit Mix: 1 and 2 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost: \$3,771,625
Estimated Hard Costs per Unit: \$ 18,368 (\$863,300/47 units)
Estimated per Unit Cost: \$ 80,247 (\$3,771,625/47 units)
Allocation per Unit: \$ 45,106 (\$2,120,000/47 units)
Allocation per Restricted Rental Unit: \$ 45,106 (\$2,120,000/47 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$2,120,000	\$1,300,000
Deferred Costs	\$ 240,000	\$ 0
LIH Tax Credit Equity	\$ 238,963	\$1,089,625
Direct & Indirect Public Funds	\$ 775,000	\$ 775,000
Other (Deferred Developer Fee)	\$ 397,662	\$ 392,000
Existing USDA Reserve	\$ 0	\$ 215,000
Total Sources	<u>\$3,771,625</u>	<u>\$3,771,625</u>

Uses of Funds:	
Acquisition Cost	\$1,675,000
On-Site & Off-Site Costs	\$ 150,450
Hard Construction Costs	\$ 712,850
Architect & Engineering Fees	\$ 15,000
Contractor Overhead & Profit	\$ 73,875
Developer Fee	\$ 415,601
Relocation	\$ 20,000
Cost of Issuance	\$ 228,565
Capitalized Interest	\$ 60,000
Other Soft Costs	<u>\$ 420,284</u>
Total Uses	<u>\$3,771,625</u>

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: 65 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$2,120,000 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	25
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]	0
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	15	15	15
Site Amenities	10	10	10
Service Amenities	10	10	10
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	128	108	65

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.