

**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 Richard C. Fischer .*

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**Applicant:** Housing Authority of the City of Upland

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**Allocation Amount Requested:** Tax-exempt \$8,500,000

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**Project Name:** Coy D. Estes Senior Apartments II  
**Project Address:** 260 North Third Avenue  
**Project City, County, Zip Code:** Upland, San Bernardino, 91785

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The proposed Project is located in a Community Revitalization Area, more specifically in Town Center Redevelopment Project Area.

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**Project Sponsor Information:**

**Name:** Upland Senior Housing Associates II, LP (Upland Community Housing Inc. and Santa Barbara Housing Assistance Corporation)  
**Principals:** Xenia Szabo, Gary Turner and Martin Thouvenell for Upland Community Housing Inc. and Carlo Sarmiento, Matt Benwitt and Tim Mathis for Santa Barbara Housing Assistance Corporation.

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**Project Financing Information:**

**Bond Counsel:** Fulbright and Jaworski, LLP  
**Bond Underwriter:** Piper Jaffray  
**Credit Enhancement Provider:** AIG Sun America, Inc.  
**TEFRA Hearing:** August 27, 2007

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 71, plus 1 manager unit  
**Type:** New Construction  
**Type of Units:** Senior

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**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project: 100%**  
73% (52 units) restricted to 50% or less of area median income households; and  
27% (19 units) restricted to 60% or less of area median income households.  
**Unit Mix:** Studio

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**Term of Restrictions:** 55 years

<b>Estimated Total Development Cost:</b>	\$14,886,728
<b>Estimated Hard Costs per Unit:</b>	\$ 134,662 (\$9,561,007/71units)
<b>Estimated per Unit Cost:</b>	\$ 209,672 (\$14,886,728/71 units)
<b>Allocation per Unit:</b>	\$ 119,718 (\$8,500,000/71 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 119,718 (\$8,500,000/71 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 8,500,000	\$ 6,784,283
Taxable Bond Proceeds	\$ 612,150	\$ 850,732
LIH Tax Credit Equity	\$ 5,774,578	\$ 6,314,563
Direct & Indirect Public Funds	\$ 0	\$ 937,150
<b>Total Sources</b>	<u>\$14,886,728</u>	<u>\$14,886,728</u>

<b>Uses of Funds:</b>	
Land Purchase	\$ 312,150
On-Site & Off-Site Costs	\$ 1,072,529
Hard Construction Costs	\$ 8,488,478
Architect & Engineering Fees	\$ 500,376
Contractor Overhead & Profit	\$ 692,810
Developer Fee	\$ 1,400,000
Cost of Issuance	\$ 394,507
Capitalized Interest	\$ 540,211
Other Soft Costs	\$ 1,485,667
<b>Total Uses</b>	<u>\$14,886,728</u>

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**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.

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**Total Points:** 101.4 out of 128  
 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$8,500,000 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	0
Leveraging	10	10	6.9
Community Revitalization Area	15	15	10
Site Amenities	10	10	7.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	7
New Construction	10	10	10
Negative Points	NA	NA	NA
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>101.4</b>

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.