

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 26, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Crystal Alvarez.

Applicant: City of Oceanside

Allocation Amount Requested: Tax-exempt \$11,707,272

Project Name: Country Club Apartments
Project Address: 201 Country Club Lane
Project City, County, Zip Code: Oceanside, San Diego, 92054

Project Sponsor Information:
Name: Country Club Apartments, L.P. (Wakeland Housing and Development Corporation and Wakeland Country Club Apartments, LLC)
Principals: Ken Sauder, Barry Getzel, Rebecca Loule and Joan Edelman

Project Financing Information:
Bond Counsel: Best, Best & Kreiger, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo Bank, N.A.
TEFRA Hearing: January 9, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 90, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (90 units) restricted to 50% or less of area median income households; and
Unit Mix: Studio, 1 and 2 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$21,381,022
Estimated Hard Costs per Unit:	\$ 65,354 (\$5881,880/90 units)
Estimated per Unit Cost:	\$ 237,567 (\$21,381,022/90 units)
Allocation per Unit:	\$ 130,080 (\$11,707,272/90 units)
Allocation per Restricted Rental Unit:	\$ 130,080 (\$11,707,272/90 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$11,707,272	\$ 3,508,109
LIH Tax Credit Equity	\$ 748,182	\$ 7,481,816
Direct & Indirect Public Funds	\$ 7,600,000	\$10,163,097
Deferred Interest on Soft Cost Debt	<u>\$ 228,000</u>	<u>\$ 228,000</u>
Total Sources	\$20,283,454	\$21,381,022

Uses of Funds:	
Land Purchase	\$10,215,000
Hard Construction Costs	\$ 5,881,880
Architect & Engineering Fees	\$ 125,000
Contractor Overhead & Profit	\$ 850,634
Developer Fee	\$ 1,200,000
Relocation	\$ 985,559
Cost of Issuance	\$ 312,316
Capitalized Interest	\$ 727,112
Other Soft Costs	<u>\$ 1,083,521</u>
Total Uses	\$21,381,022

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 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$11,707,272 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	10
Community Revitalization Area	15	15	0
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	NA
Total Points	128	108	80

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.