

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: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$7,500,000

Project Name: Turnagain Arms
Project Address: 920 East Mission Road
Project City, County, Zip Code: Fallbrook, San Diego, 92028

Project Sponsor Information:
Name: Turnagain Renaissance Housing Associates, L.P.
(Community Housing Works)
Principals: Sue Reynolds, Anne Wilson, Rosemary Stabrawa,
Patti Hamic-Christensen, Wendy Wang and Gabe Del
Rio

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Corporation, LLP
Underwriter: RED Mortgage Capital, Inc.
Credit Enhancement Provider: RED Mortgage Capital, Inc.
Private Placement Purchaser: RED Capital Community Development Company, LLC
TEFRA Hearing: July 31, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 79, 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%
30% (24 units) restricted to 50% or less of area median income households; and
70% (55 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:	\$16,249,313
Estimated Hard Costs per Unit:	\$ 54,658 (\$4,318,000/79 units)
Estimated per Unit Cost:	\$ 205,688 (\$16,249,313/79 units)
Allocation per Unit:	\$ 94,937 (\$7,500,000/79 units)
Allocation per Restricted Rental Unit:	\$ 94,937 (\$7,500,000/79 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 7,500,000	\$ 3,392,000
Taxable Bond Proceeds	\$ 6,383,100	\$ 6,383,100
Developer Equity	\$ 100	\$ 100
LIH Tax Credit Equity	\$ 229,400	\$ 4,712,694
Direct & Indirect Public Funds	\$ 0	\$ 1,000,000
Accrued Interest, Replacement Reserve	<u>\$ 2,136,713</u>	<u>\$ 761,419</u>
Total Sources	\$16,249,313	\$16,249,313

Uses of Funds:	
Land Purchase	\$ 7,000,000
Hard Construction Costs	\$ 4,318,000
Architect & Engineering Fees	\$ 279,500
Developer Fee	\$ 1,461,411
Relocation	\$ 550,000
Cost of Issuance	\$ 415,400
Capitalized Interest	\$ 593,300
Other Soft Costs	<u>\$ 1,631,713</u>
Total Uses	\$16,249,313

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: 60.5 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$7,500,000 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	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	NA
Total Points	128	108	60.5

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.