

**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.*

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**Applicant:** California Statewide Communities Development Authority

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

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

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**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

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**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

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**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

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**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

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**Term of Restrictions:** 55 years

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<b>Estimated Total Development Cost:</b>	\$16,249,313
<b>Estimated Hard Costs per Unit:</b>	\$ 54,658 (\$4,318,000/79 units)
<b>Estimated per Unit Cost:</b>	\$ 205,688 (\$16,249,313/79 units)
<b>Allocation per Unit:</b>	\$ 94,937 (\$7,500,000/79 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 94,937 (\$7,500,000/79 restricted units)

<b>Sources of Funds:</b>	<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>
<b>Total Sources</b>	<b>\$16,249,313</b>	<b>\$16,249,313</b>

<b>Uses of Funds:</b>	
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>
<b>Total Uses</b>	<b>\$16,249,313</b>

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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:** 60.5 out of 128  
[See Attachment A]

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**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
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>60.5</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.