

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 28, 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 \$9,200,000

Project Name: **Sunset Street Apartments**
Project Address: 3655 Sunset Blvd
Project City, County, Zip Code: Rocklin, Placer, 95677

Project Sponsor Information:

Name: Sunset Street Housing Partners, L.P. (Sunset Street Housing Partners Management, LLC and Stephen Whyte)
Principals: Stephen Whyte and David A. Beacham

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Washington Mutual Bank, F.A.
TEFRA Hearing: March 25, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: **102**, plus **2** manager units
Type: Acquisition and Rehabilitation
Type of Units: Family / Federally Assisted At-Risk

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
21% (21 units) restricted to 50% or less of area median income households; and
79% (81 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:	\$13,606,557
Estimated Hard Costs per Unit:	\$ 12,729 (\$1,298,325/102 units)
Estimated per Unit Cost:	\$ 133,397 (\$13,606,557/102 units)
Allocation per Unit:	\$ 90,196 (\$9,200,000/102 units)
Allocation per Restricted Rental Unit:	\$ 90,196 (\$9,200,000/102 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$9,200,000	\$ 6,050,000
Developer Equity	\$ 676,838	\$ 676,838
LIH Tax Credit Equity	\$ 966,908	\$ 4,116,908
Direct & Indirect Public Funds	<u>\$ 2,762,811</u>	<u>\$ 2,762,811</u>
Total Sources	\$13,606,557	\$13,606,557

Uses of Funds:	
Land Purchase	\$ 9,200,000
Hard Construction Costs	\$ 1,298,325
Architect & Engineering Fees	\$ 74,000
Contractor Overhead & Profit	\$ 333,500
Developer Fee	\$ 1,562,578
Cost of Issuance	\$ 249,620
Other Soft Costs	<u>\$ 888,534</u>
Total Uses	\$13,606,557

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: 62.5 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$9,200,000 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	10
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	35	15	30
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	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	NA
Total Points	128	108	62.5

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.