

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 Richard C. Fischer .

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$30,000,000
[Taxable Debt: \$6,500,000]

Project Name: Bear Valley Ranch Apartments
Project Address: West of Mesa Valley Drive & north of Bear Valley Road
Project City, County, Zip Code: Victorville, San Bernardino, 92392

The proposed Project is located in a Community Revitalization Area, more specifically the Victor Valley Redevelopment Project Area.

Project Sponsor Information:
Name: Bear Valley Ranch, LLC (Saman Development, LLC)
Principals: Nathan Ahdoot and Shahram Elyaszadeh

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Citibank, N.A.
Credit Enhancement Provider: Citibank, N.A.
TEFRA Hearing: April 22, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 326, plus 2 manager units
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
10% (33 units) restricted to 50% or less of area median income households; and
90% (293units) 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:	\$44,529,615
Estimated Hard Costs per Unit:	\$ 79,755 (\$26,000,000/326 units)
Estimated per Unit Cost:	\$ 136,594 (\$44,529,615/326 units)
Allocation per Unit:	\$ 92,025 (\$30,000,000/326 units)
Allocation per Restricted Rental Unit:	\$ 92,025 (\$30,000,000/326 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$30,000,000	\$27,700,000
Taxable Bond Proceeds	\$ 6,500,000	\$ 0
Deferred Developer Fee	\$ 2,500,000	\$ 2,377,798
LIH Tax Credit Equity	\$ 1,502,243	\$10,424,445
Direct & Indirect Public Funds	<u>\$ 4,027,372</u>	<u>\$ 4,027,372</u>
Total Sources	\$44,529,615	\$44,529,615

Uses of Funds:	
Land Purchase	\$ 8,400,000
Hard Construction Costs	\$26,000,000
Architect & Engineering Fees	\$ 300,000
Contractor Overhead & Profit	\$ 2,000,000
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 650,000
Capitalized Interest	\$ 1,700,000
Other Soft Costs	<u>\$ 2,979,615</u>
Total Uses	\$44,529,615

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: 75.7 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$30,000,000 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	25
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	7.7
Community Revitalization Area	15	15	15
Site Amenities	10	10	0
Service Amenities	10	10	5
Sustainable Building Methods	8	8	8
New Construction	10	10	10
Negative Points	NA	NA	NA
Total Points	128	108	75.7

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.