

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 16, 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 \$1,805,000

Project Name: **Creekside Apartments**
Project Address: 28955 Pujol Street
Project City, County, Zip Code: Temecula, Riverside, 92590

Project Sponsor Information:
Name: RC Investment Group, LP (RC – 2009, LLC and Quality Housing Corporation)
Principals: Ronald D. Bettencourt and Sharon A. Bettencourt

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: US Bank, N.A.
TEFRA Hearing: May 27, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 48, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Senior/ Federally Assisted At-Risk

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
31% (15 units) restricted to 50% or less of area median income households; and
69% (33 units) restricted to 60% or less of area median income households.
Unit Mix: 1-bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$3,511,944
Estimated Hard Costs per Unit:	\$ 14,435 (\$692,893/48 units)
Estimated per Unit Cost:	\$ 73,166 (\$3,511,944/48 units)
Allocation per Unit:	\$ 37,604 (\$1,805,000/48 units)
Allocation per Restricted Rental Unit:	\$ 37,604 (\$1,805,000/48 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$1,805,000	\$1,565,000
Deferred Developer Fee	\$ 101,562	\$ 101,562
LIH Tax Credit Equity	\$ 346,881	\$ 586,881
Reserves	\$ 183,151	\$ 183,151
Direct & Indirect Public Funds	<u>\$1,075,350</u>	<u>\$1,075,350</u>
Total Sources	\$3,511,944	\$3,511,944

Uses of Funds:	
Acquisition Cost	\$1,810,350
On-Site & Off-Site Costs	\$ 71,743
Hard Construction Costs	\$ 621,150
Architect & Engineering Fees	\$ 27,641
Contractor Overhead & Profit	\$ 96,278
Developer Fee	\$ 430,799
Cost of Issuance	\$ 90,375
Replacement Reserves	\$ 141,472
Other Soft Costs (Marketing)	<u>\$ 222,136</u>
Total Uses	\$3,511,944

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: 95 out of 148
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$1,805,000 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	20
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]	0
Exceeding Minimum Term of Restrictions	10	10	10
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	NA
Total Points	148	128	95

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.