

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 Sarah Lester.

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$1,967,000

Project Name: San Jacinto Senior Apartments

Project Address: 633 E. Main Street
Project City, County, Zip Code: San Jacinto, Riverside, 92583

Project Sponsor Information:

Name: RC Investment Group, LP
(RC – 2009, LLC and Ronald Bettencourt, an individual)
Principals: Sharon A. Bettencourt and Ronald D. Bettencourt

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: U.S. Bank National Association
TEFRA Hearing: June 5, 2008

Description of Proposed Project:

State Ceiling Pool: Rural
Total Number of Units: 45, plus 1 manager's 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% (14 units) restricted to 50% or less of area median income households; and
69% (31 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$4,480,802	
Estimated Hard Costs per Unit:	\$12,778	(\$574,991 / 45 units)
Estimated per Unit Cost:	\$99,573	(\$4,480,802 / 45 units)
Allocation per Unit:	\$43,711	(\$1,967,000 / 45 units)
Allocation per Restricted Rental Unit:	\$43,711	(\$1,967,000 / 45 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$1,967,000	\$1,210,000
Deferred Developer Fee	\$95,344	\$95,344
LIH Tax Credit Equity	\$14,072	\$771,072
Reserves	\$115,771	\$115,771
Direct & Indirect Public Funds	<u>\$2,288,615</u>	<u>\$2,288,615</u>
Total Sources	\$4,480,802	\$4,480,802

Uses of Funds:	
Acquisition Cost	\$2,588,615
Contingency	\$66,411
Hard Construction Costs	\$574,991
Architect & Engineering Fees	\$25,949
Contractor Overhead & Profit	\$89,124
Developer Fee	\$604,423
Financing Costs	\$84,842
Replacement Reserves	\$132,810
Other Soft Costs	<u>\$313,637</u>
Total Uses	\$4,480,802

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: 97.5 out of 138

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$1,967,000 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	7.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	138	118	97.5

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.