

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 Crystal Alvarez

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$2,450,000

Project Name: Valley Commons Apartments
Project Address: 1444 Segsworth Way
Project City, County, Zip Code: Grass Valley, Nevada, 95945

Project Sponsor Information:
Name: Star-Valley Commons, L.P. (Star-Valley Commons G/P, LLC and Star Equities, LLC)
Principals: Michael K. Moore

Project Financing Information:
Bond Counsel: Jones Hall, a Professional Law Corporation, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: U.S. Bank National Association
TEFRA Hearing: May 27, 2008

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 47, plus 1 manager unit
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%
34% (16 units) restricted to 50% or less of area median income households; and
66% (31 units) restricted to 60% or less of area median income households.
Unit Mix: 1 and 2 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$4,541,669	
Estimated Hard Costs per Unit:	\$15,319 (\$720,000 / 47 units)
Estimated per Unit Cost:	\$96,631 (\$4,541,669 / 47 units)
Allocation per Unit:	\$52,127 (\$2,450,000 / 47 units)
Allocation per Restricted Rental Unit:	\$52,127 (\$2,450,000 / 47 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$2,450,000	\$1,600,000
Developer Equity	\$40,345	\$40,345
LIH Tax Credit Equity	\$345,985	\$1,195,985
RD Reserves	\$98,167	\$98,167
Direct & Indirect Public Funds	\$1,607,172	\$1,607,172
Total Sources	\$4,541,669	\$4,541,669

Uses of Funds:	
Acquisition Cost	\$2,421,000
Hard Construction Costs	\$720,000
Architect & Engineering Fees	\$66,600
Contractor Overhead & Profit	\$183,780
Developer Fee	\$492,327
Cost of Issuance	\$179,695
Other Soft Costs	\$478,267
Total Uses	\$4,541,669

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: 87.5 out of 138
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$2,450,000 in tax-exempt bond allocation.

ATTACHMENT A

EVALUATION SCORING:

	Projects	Mixed Income Projects	
Federally Assisted At-Risk Project or HOPE VI Project	20	20	20
Exceeding Minimum Income Restrictions: Non-Mixed Income Project	35	15	35
Mixed Income Project			
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	0
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	138	118	87.5

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.