

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 John Weir

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$5,090,492

Project Name: Cloverdale Gardens/Vineyard Manor Apartments
(Scattered Site)
Project Address: 18 Clark Ave / 19 Clark Ave
Project City, County, Zip Code: Cloverdale, Sonoma, 95425

Project Sponsor Information:
Name: CGVM, L.P. (CGVM, LLC & Community Revitalization and Development Corporation)
Principals: Patrick R. Sabelhaus for CGVM and David Rutledge for Community Revitalization and Development Corp.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Washington Mutual Bank
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Washington Mutual Bank, FA
TEFRA Hearing: June 11, 2008

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 69, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family/Senior/Federally Assisted At-Risk

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
30% (21 units) restricted to 50% or less of area median income households; and
70% (48 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3, bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$10,004,951
Estimated Hard Costs per Unit:	\$27,189 (\$1,876,052 / 69 units)
Estimated per Unit Cost:	\$144,999 (\$10,004,951 / 69 units)
Allocation per Unit:	\$73,775 (\$5,090,492 / 69 units)
Allocation per Restricted Rental Unit:	\$73,775 (\$5,090,492 / 69 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$5,090,492	\$2,200,000
City RDA Funds	\$0	\$700,000
Deferred Developer Fee	\$1,133,459	\$305,919
LIH Tax Credit Equity	\$100,000	\$3,118,032
Reserves	\$301,000	\$301,000
Direct & Indirect Public Funds	<u>\$3,380,000</u>	<u>\$3,380,000</u>
Total Sources	\$10,004,951	\$10,004,951

Uses of Funds:	
Acquisition Cost	\$5,300,000
On-Site & Off-Site Costs	\$248,000
Hard Construction Costs	\$1,628,052
Architect & Engineering Fees	\$70,000
Contractor Overhead & Profit	\$127,840
Developer Fee	\$1,133,459
Relocation	\$67,070
Cost of Issuance	\$30,000
Capitalized Interest	\$200,000
Other Soft Costs	<u>\$1,200,530</u>
Total Uses	\$10,004,951

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: 88.75 out of 138

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$5,090,492 in tax-exempt bond allocation.

ATTACHMENT A

EVALUATION SCORING:

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	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	8.75
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	88.75

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.