

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
December 3, 2008  
Staff Report  
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A  
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: *Richard Fischer*

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**Applicant:** Housing Authority of the City of Upland

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**Allocation Amount Requested:** Tax-exempt: \$8,000,000

PROJECT ORIGINALLY RECEIVED ALLOCATION ON SEPTEMBER 24, 2008. APPLICANT REQUESTED AWARD BE DEFERRED TO DECEMBER 3 ALLOCATION MEETING

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**Project Information:**

**Name:** Coy D. Estes II Senior Housing Apts.  
**Project Address:** 290 North Third Avenue  
**Project City, County, Zip Code:** Upland, San Bernardino, 91786

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**Project Sponsor Information:**

**Name:** Upland Senior Housing Associates II, L.P. (Upland Community Housing Inc. and Santa Barbara Housing Assistance Corporation)  
**Principals:** Xenia Szabo, Gary Turner and Martin Thouvenell for Upland Community Housing Inc. and Carlo Sarmiento, Matt Benwitt and Tim Mathis for the Santa Barbara Housing Assistance Corporation.

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**Project Financing Information:**

**Bond Counsel:** Fullbright, Jaworski, LLP  
**Underwriter:** Piper Jaffray & Co.  
**Credit Enhancement Provider:** AIG Sun America, Inc.  
**TEFRA Hearing:** August 27, 2007

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 71, plus 1 manager's unit  
**Type:** New Construction  
**Type of Units:** Senior Citizens

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**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
56% (40 units) restricted to 50% or less of area median income households.  
44% (31 units) restricted to 60% or less of area median income households.  
**Unit Mix:** Studio

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**Term of Restrictions:** 55 years

<b>Estimated Total Development Cost:</b>	\$15,888,804	
<b>Estimated Hard Costs per Unit:</b>	\$162,101	(\$11,509,182 / 71 units)
<b>Estimated per Unit Cost:</b>	\$223,786	(\$15,888,804 / 71 units)
<b>Allocation per Unit:</b>	\$112,676	(\$8,000,000 / 71 units)
<b>Allocation per Restricted Rental Unit:</b>	\$112,676	(\$8,000,000 / 71 restricted units)

[The Project has total project costs that appear high for the geographic area in which it is located. According to the Project sponsor, the high cost is due to (state reasons)]

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 8,000,000	\$ 8,000,000
Deferred Developer Fee	\$ 0	\$ 0
Developer Equity	\$ 1,385,733	\$ 0
LIH Tax Credit Equity	\$ 3,665,571	\$ 5,780,485
Direct & Indirect Public Funds	\$ 2,837,500	\$ 2,108,319
Other NOI	\$ 0	\$ 0
<b>Total Sources</b>	<b>\$ 15,888,804</b>	<b>\$ 15,888,804</b>

<b>Uses of Funds:</b>	
Land Costs	\$ 312,150
On & Off Site Costs	\$ 1,520,000
Hard Construction Costs	\$ 9,989,182
Architect & Engineering Fees	\$ 460,000
Contractor Overhead & Profit	\$ 812,810
Developer Fee	\$ 1,400,000
Cost of Issuance	\$ 376,000
Capitalized Interest	\$ 535,167
Other Soft Costs	\$ 483,495
<b>Total Uses</b>	<b>\$ 15,888,804</b>

**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:** 94.5 out of 128

[See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$8,000,000 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	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	5
Gross Rents	5	5	0
Large Family Units	5	5	0
Leveraging	10	10	10
Exceeding Minimum Term of Restrictions	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	7
Negative Points	-10	-10	0
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>94.5</b>

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.