

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 25, 2009
Staff Report
SUPPLEMENTAL REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Crystal Alvarez

Applicant: California Housing Finance Agency

Allocation Amount Requested:

Tax-exempt: \$1,000,000
Awarded \$5,950,000 on December 3, 2008 Application #08-141

Project Information:

Name: Montecito Village Apartments
Project Address: 1464 Montecito Road
Project City, County, Zip Code: Ramona, San Diego, 92065

The proposed Project is located in a Community Revitalization area, more specifically in the Community Development Block Grant Neighborhood Revitalization Area.

Project Sponsor Information:

Name: Montecito Village Affordable, L.P. (Montecito Village AGP, L.P. and Las Palmas Housing and Development Corporation)
Principals: Ken Reiner and Joseph M. Michael

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: RBC Capital Markets
Credit Enhancement Provider: Prudential Affordable Mortgage Compnay / Freddi Mac
Private Placement Purchaser: N/A
TEFRA Hearing: April 21, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 69, 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%
30% (21 units) restricted to 50% or less of area median income households.
70% (48 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3 & 4 bedrooms

REVISED SOURCES AND USES

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 6,950,000	\$ 6,950,000
Deferred Developer Fee	\$ 711,620	\$ 637,784
LIH Tax Credit Equity	\$ 2,027,570	\$ 2,385,376
Purchase Reserve	\$ 183,072	\$ 183,072
Total Sources	\$ 9,872,262	\$ 10,156,232

Uses of Funds:	
Acquisition Costs	\$ 5,715,000
Hard Construction Costs	\$ 1,538,586
Architect & Engineering Fees	\$ 40,000
Contractor Overhead & Profit	\$ 123,087
Developer Fee	\$ 1,180,842
Relocation	\$ 72,500
Other Soft Costs	\$ 1,486,217
Total Uses	\$ 10,156,232

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.

Recommendation:

Staff recommends that the Committee approve \$1,000,000 in tax exempt bond allocation.