

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 27, 2009
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: \$30,000,000

Project Information:
Name: San Sevine Villas Apartments
Project Address: 13247 Foothill Blvd.
Project City, County, Zip Code: Rancho Cucamonga, San Bernardino, 91739

Project Sponsor Information:
Name: San Seville Villas, LP (San Sevine Villas, LLC and Northtown Housing Development Corporation)
Principals: Paul Hernandez for San Sevine Villas, LLC and Northtown Housing Development Corporation

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Bank of America, N.A./CCRC
TEFRA Hearing: April 1, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 223, plus 2 manager units
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 75%
50% (111 units) restricted to 50% or less of area median income households.
25% (56 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

| | | |
|---|---------------|--------------------------------------|
| Estimated Total Development Cost: | \$ 57,567,124 | |
| Estimated Hard Costs per Unit: | \$ 122,463 | (\$27,309,206 /223 units) |
| Estimated per Unit Cost: | \$ 258,149 | (\$57,567,124 /223 units) |
| Allocation per Unit: | \$ 134,529 | (\$30,000,000 /223 units) |
| Allocation per Restricted Rental Unit: | \$ 179,641 | (\$30,000,000 /167 restricted units) |

| Sources of Funds: | <u>Construction</u> | <u>Permanent</u> |
|--------------------------------|----------------------|----------------------|
| Tax-Exempt Bond Proceeds | \$ 30,000,000 | \$ 5,981,951 |
| LIH Tax Credit Equity | \$ 200,000 | \$ 12,088,079 |
| Direct & Indirect Public Funds | \$ 26,103,164 | \$ 39,497,094 |
| Total Sources | \$ 56,303,164 | \$ 57,567,124 |

| Uses of Funds: | |
|------------------------------|----------------------|
| Acquisition Costs | \$ 5,587,150 |
| New Construction Costs | \$ 31,208,812 |
| Architectural | \$ 1,694,442 |
| Survey & Engineering | \$ 1,286,966 |
| Contingency Costs | \$ 3,546,928 |
| Construction Period Expenses | \$ 4,379,164 |
| Permanent Financing Expenses | \$ 89,820 |
| Legal Fees | \$ 238,500 |
| Capitalized Reserves | \$ 807,460 |
| Reports & Studies | \$ 210,227 |
| Other (Marketing, etc) | \$ 6,061,155 |
| Developer Costs | \$ 2,456,500 |
| Total Uses | \$ 57,567,124 |

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: 90.5 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$30,000,000 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: | 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] | 10 |
| Gross Rents | 5 | 5 | 0 |
| Large Family Units | 5 | 5 | 5 |
| Leveraging | 10 | 10 | 10 |
| Community Revitalization Area | 15 | 15 | 0 |
| Site Amenities | 10 | 10 | 2.5 |
| Service Amenities | 10 | 10 | 10 |
| New Construction | 10 | 10 | 10 |
| Sustainable Building Methods | 8 | 8 | 8 |
| Negative Points | -10 | -10 | 0 |
| Total Points | 118 | 98 | 90.5 |

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.