

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: Sarah Lester

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:

Tax-exempt: \$2,030,000

Project Information:

Name: San Jacinto Senior Apartments
Project Address: 633 East Main Street
Project City, County, Zip Code: San Jacinto, Riverside, 92583

Project Sponsor Information:

Name: RC Investment Group, LP (RC - 2009, LLC and Ronald D. Bettencourt an individual)
Principals: Ronald D. Bettencourt

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Bonneville Mortgage Company
TEFRA Hearing: April 16, 2009

Description of Proposed Project:

State Ceiling Pool: Rural
Total Number of Units: 45, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Senior Citizens/Federally Assisted At-Risk

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
11% (5 units) restricted to 50% or less of area median income households.
89% (40 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	4,324,908	
Estimated Hard Costs per Unit:	\$	10,259	(\$461,666 /45 units)
Estimated per Unit Cost:	\$	96,109	(\$4,324,908 /45 units)
Allocation per Unit:	\$	45,111	(\$2,030,000 /45 units)
Allocation per Restricted Rental Unit:	\$	45,111	(\$2,030,000 /45 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 2,030,000	\$ 850,000
Deferred Developer Fee	\$ 0	\$ 32,064
LIH Tax Credit Equity	\$ 0	\$ 1,084,458
Direct & Indirect Public Funds	\$ 2,288,615	\$ 2,288,615
Other	\$ 6,293	\$ 69,771
Total Sources	\$ 4,324,908	\$ 4,324,908

Uses of Funds:	
Acquisition Costs	\$ 2,588,615
Hard Construction Costs	\$ 461,666
Architect & Engineering Fees	\$ 61,800
Contractor Overhead & Profit	\$ 71,558
Developer Fee	\$ 469,144
Relocation	\$ 5,000
Cost of Issuance	\$ 52,903
Capitalized Interest	\$ 39,700
Other Soft Costs	\$ 574,522
Total Uses	\$ 4,324,908

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: 68.5 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$2,030,000 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	20
Exceeding Minimum Income Restrictions:	35	15	26
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	0
Gross Rents	5	5	5
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
New Construction	10	10	0
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
Total Points	118	98	68.5

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.