

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 22, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: *Richard Fischer*

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$7,500,000

Project Information:
Name: Camellia Place Apartments
Project Address: 1855 Cheatham Avenue
Project City, County, Zip Code: Bakersfield, Kern, 93307

Project Sponsor Information:
Name: Camellia Pl., L.P. (Corporation for Better Housing and Kavigem, Inc.)
Principals: Gwendy Silver Egnater and David Sclafani for Corporation for Better Housing; Charles Brumbaugh for Kavigem, Inc.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Alliant Mortgage Company, LLC
TEFRA Hearing: April 28, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 44, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
82% (36 units) restricted to 50% or less of area median income households.
18% (8 units) restricted to 60% or less of area median income households.
Unit Mix: 3 & 4 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 11,081,185	
Estimated Hard Costs per Unit:	\$ 158,469	(\$6,972,642 /44 units)
Estimated per Unit Cost:	\$ 251,845	(\$11,081,185 /44 units)
Allocation per Unit:	\$ 170,455	(\$7,500,000 /44 units)
Allocation per Restricted Rental Unit:	\$ 170,455	(\$7,500,000 /44 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 7,500,000	\$ 972,000
Developer Equity	\$ 0	\$ 653,250
LIH Tax Credit Equity	\$ 575,664	\$ 3,793,935
Direct & Indirect Public Funds	\$ 1,784,000	\$ 5,662,000
Total Sources	\$ 9,859,664	\$ 11,081,185

Uses of Funds:	
Acquisition Costs	\$ 0
On & Off Site Costs	\$ 1,152,050
Hard Construction Costs	\$ 5,820,592
Architect & Engineering Fees	\$ 175,000
Contractor Overhead & Profit	\$ 387,369
Developer Fee	\$ 1,405,000
Cost of Issuance	\$ 241,600
Other Soft Costs (Marketing, etc.)	\$ 1,899,574
Total Uses	\$ 11,081,185

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: 93 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$7,500,000 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	5
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	118	98	93

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.