

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: Sarah Lester

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:

Tax-exempt: \$7,200,000

Project Information:

Name: Citrus Grove of Rialto II Apartments
Project Address: 422, 432, 442, 452, 482 W. Cascade Drive; 1423, 1451,
1461, 1471, N. Vista Avenue & 1497 N. Lilac Avenue
Project City, County, Zip Code: Rialto, San Bernardino, 92367

Project Sponsor Information:

Name: Citrus Grove Housing Partners, LP (The Southern California
Housing Development Corporation of the Inland Empire)
Principals: Orlando J. Cabrera, Rebecca F. Clark and Rick Whittingham

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo Bank, N.A. (Constr.) & California Community
Reinvestment Corp. (Perm.)
TEFRA Hearing Date: March 10, 2009

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 41, plus 1 manager unit
Type: Acquisition and Rehalitation
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (41 units) restricted to 50% or less of area median income households.
Unit Mix: 2 & 3 bedrooms

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	12,591,189	
Estimated Hard Costs per Unit:	\$	70,488	(\$2,890,000 /41 units)
Estimated per Unit Cost:	\$	307,102	(\$12,591,189 /41 units)
Allocation per Unit:	\$	175,610	(\$7,200,000 /41 units)
Allocation per Restricted Rental Unit:	\$	175,610	(\$7,200,000 /41 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 7,200,000	\$ 1,443,000
LIH Tax Credit Equity	\$ 336,200	\$ 1,681,000
Direct & Indirect Public Funds	\$ 4,692,893	\$ 8,876,713
Other (TCAP)	\$ 0	\$ 590,476
Total Sources	\$ 12,229,093	\$ 12,591,189

Uses of Funds:	
Acquisition Costs	\$ 6,771,300
Hard Construction Costs	\$ 2,890,000
Architect & Engineering Fees	\$ 449,600
Contractor Overhead & Profit	\$ 163,100
Developer Fee	\$ 632,000
Relocation	\$ 500,000
Cost of Issuance	\$ 77,000
Capitalized Interest	\$ 337,500
Other Soft Costs	\$ 770,689
Total Uses	\$ 12,591,189

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: 63 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$7,200,000 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	0
Leveraging	10	10	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	0
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	118	98	63

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.