

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 23, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Brady Hill

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$7,250,000

Project Information:
Name: Fanita 48 Family Apartments
Project Address: 8616-8630 Fanita Drive
Project City, County, Zip Code: Santee, San Diego, 92071

Project Sponsor Information:
Name: Fanita 48, L.P. (Pacific Southwest Community Development Corporation and Fanita 48 Chelsea Investment Corporation, LLC)
Principals: Robert W. Laing and Tony Reyes for Pacific Southwest Community Development Corporation; James J. Schmid for Fanita 48 CIC, LLC

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: U.S Bank National Association (Construction and Permanent);
Municipal Capital Appreciation Partners IV, L.P. (Permanent)
TEFRA Hearing Date: July 22, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 47, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
21% (10 units) restricted to 50% or less of area median income households.
79% (37 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:	\$ 14,433,529	
Estimated Hard Costs per Unit:	\$ 110,749	(\$5,205,194 /47 units)
Estimated per Unit Cost:	\$ 307,096	(\$14,433,529 /47 units)
Allocation per Unit:	\$ 154,255	(\$7,250,000 /47 units)
Allocation per Restricted Rental Unit:	\$ 154,255	(\$7,250,000 /47 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 7,250,000	\$ 4,515,000
Deferred Developer Fee	\$ 0	\$ 720,529
LIH Tax Credit Equity	\$ 1,907,530	\$ 3,922,000
Direct & Indirect Public Funds	\$ 5,276,000	\$ 5,276,000
Other	\$ 0	\$ 0
Total Sources	\$ 14,433,530	\$ 14,433,529

Uses of Funds:	
Acquisition Costs	\$ 2,130,000
New Construction Costs	\$ 6,296,726
Architectural	\$ 320,000
Survey & Engineering	\$ 80,000
Contingency Costs	\$ 424,836
Construction Period Expenses	\$ 804,296
Permanent Financing Expenses	\$ 207,200
Legal Fees	\$ 481,250
Capitalized Reserves	\$ 122,119
Reports & Studies	\$ 20,000
Other (Marketing, etc)	\$ 2,055,436
Developer Costs	\$
Total Uses	\$ 12,941,863

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: 74 out of 118

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$7,250,000 in tax exempt bond allocation on a carryforward basis.

The CDLAC bond issuance deadline shall be 1) the project specific California Tax Credit Allocation Committee closing deadline for January 27, 2010 TCAP/Exchange awards or 2) August 25, 2010 for those applicants unsuccessful in obtaining a TCAP/Exchange award on January 27, 2010

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	31
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	0
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	0
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	74

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.