

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 16, 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: \$4,318,815

Project Information:
Name: Rolling Hills Apartments
Project Address: 971-999 Las Tablas Drive
Project City, County, Zip Code: Templeton, San Luis Obispo, 93465

Project Sponsor Information:
Name: Peoples' Self-Help Housing Corporation
Principals: Jeanette Duncan, Scott Smith and Maura Shannon

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo Bank, N.A.
TEFRA Hearing Date: November 10, 2009

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 52, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family/Federally Assisted At-Risk

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
88% (46 units) restricted to 50% or less of area median income households.
12% (6 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:	\$	8,964,290	
Estimated Hard Costs per Unit:	\$	31,731	(\$1,650,000 /52 units)
Estimated per Unit Cost:	\$	172,390	(\$8,964,290 /52 units)
Allocation per Unit:	\$	83,054	(\$4,318,815 /52 units)
Allocation per Restricted Rental Unit:	\$	83,054	(\$4,318,815 /52 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 4,318,815	\$ 1,128,741
Developer Equity	\$ 0	\$ 146
LIH Tax Credit Equity	\$ 250,000	\$ 1,418,257
Direct & Indirect Public Funds	\$ 3,389,500	\$ 6,008,262
Other (ARRA & Reserves)	\$ 408,884	\$ 408,884
Total Sources	\$ 8,367,199	\$ 8,964,290

Uses of Funds:	
Acquisition Costs	\$ 5,147,000
Hard Construction Costs	\$ 1,650,000
Architect & Engineering Fees	\$ 55,000
Developer Fee	\$ 660,051
Relocation	\$ 60,000
Cost of Issuance	\$ 248,722
Capitalized Interest	\$ 418,627
Other Soft Costs (Marketing, etc.)	\$ 724,890
Total Uses	\$ 8,964,290

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: 70.5 out of 128
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$4,318,815 in tax exempt bond allocation on a carryforward basis.

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	10
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]	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	2.5
Service Amenities	10	10	5
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	128	108	70.5

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.