

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 27, 2010
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: John Weir

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$2,808,171

Project Information:
Name: Orange Villas Apartments
Project Address: 440-450 & 225 Orange Ave.
Project City, County, Zip Code: Coronado, San Diego, 92118

Project Sponsor Information:
Name: San Diego Interfaith Housing Foundation
Principals: Matthew B. Jumper

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.
TEFRA Hearing: September 16, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 18 plus 0 manager units
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
67% (12 units) restricted to 50% or less of area median income households.
33% (6 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1 & 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	5,682,277	
Estimated Hard Costs per Unit:	\$	164,185	(\$2,955,331 /18 units)
Estimated per Unit Cost:	\$	315,682	(\$5,682,277 /18 units)
Allocation per Unit:	\$	156,010	(\$2,808,171 /18 units)
Allocation per Restricted Rental Unit:	\$	156,010	(\$2,808,171 /18 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 2,808,171	\$ 879,733
Deferred Developer Fee	\$ 635,280	\$ 71,764
LIH Tax Credit Equity	\$ 225,000	\$ 1,860,780
Direct & Indirect Public Funds	\$ 2,013,826	\$ 2,870,000
Total Sources	\$ 5,682,277	\$ 5,682,277

Uses of Funds:	
Acquisition Costs	\$ 20,000
On & Off Site Costs	\$ 690,000
Hard Construction Costs	\$ 2,265,331
Architect & Engineering Fees	\$ 522,000
Contractor Overhead & Profit	\$ 416,267
Developer Fee	\$ 690,018
Relocation	\$ 30,000
Cost of Issuance	\$ 122,500
Capitalized Interest	\$ 143,750
Other Soft Costs	\$ 782,411
Total Uses	\$ 5,682,277

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: 87.9 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$2,808,171 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	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	3.3
New Construction	10	10	6.6
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	87.9

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.