

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 22, 2010
Staff Report
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: Sarah Lester

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$9,600,000

Project Information:
Name: El Centro Family Apartments
Project Address: 2001 North 8th Street
Project City, County, Zip Code: El Centro, Imperial, 92243

Project Sponsor Information:
Name: CIC El Centro Family Apts., LP (Chelsea Investment Corporation, Pacific Southwest Community Development Corporation, CIC El Centro Family Apts., LLC)
Principals: James Schmid and Lynn Harrington Schmid for Chelsea Investment Corporation and CIC El Centro Family Apts., LLC; Robert W. Laing, Michael T. Walsh and Tony Reyes for Pacific Southwest Community Development Corporation

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Rabobank, N.A.
TEFRA Hearing Date: July 20, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 71, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
73% (52 units) restricted to 50% or less of area median income households.
27% (19 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:	\$	16,925,536	
Estimated Hard Costs per Unit:	\$	124,576	(\$8,844,892 /71 units)
Estimated per Unit Cost:	\$	238,388	(\$16,925,536 /71 units)
Allocation per Unit:	\$	130,634	(\$9,600,000 /71 units)
Allocation per Restricted Rental Unit:	\$	130,634	(\$9,600,000 /71 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 9,600,000	\$ 1,180,000
Deferred Developer Fee	\$ 240,528	\$ 240,528
LIH Tax Credit Equity	\$ 4,813,350	\$ 5,070,008
Direct & Indirect Public Funds	\$ 2,271,658	\$ 10,435,000
Total Sources	\$ 16,925,536	\$ 16,925,536

Uses of Funds:	
Acquisition	\$ 585,000
New Construction Costs	\$ 10,863,233
Architectural	\$ 545,798
Survey & Engineering	\$ 136,449
Contingency Costs	\$ 507,570
Construction Period Expenses	\$ 842,005
Permanent Financing Expenses	\$ 267,332
Legal Fees	\$ 50,000
Capitalized Reserves	\$ 138,052
Reports & Studies	\$ 197,327
Other (Marketing, etc)	\$ 1,592,770
Developer Costs	\$ 1,200,000
Total Uses	\$ 16,925,536

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: 65 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$9,600,000 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]	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	5
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
Total Points	118	98	65

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.