

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: Crystal Alvarez

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$45,280,313

Project Information:
Name: Coventry Court Apartments
Project Address: 17100 Cambridge Way
Project City, County, Zip Code: Tustin, Orange, 92780

Project Sponsor Information:
Name: Tustin Coventry Seniors, LP (Western Community Housing, Inc. and Tustin Coventry Seniors, LLC)
Principals: Graham Espley-Jones, Leanne Truofreh, Sandra Gibbons and Sheila Von Euer

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Citibank, N.A. / Freddie Mac
Credit Enhancement Provider: Citibank, N.A. / Freddie Mac
TEFRA Hearing Date: August 18, 2010

Description of Proposed Project:
State Ceiling Pool: Mixed Income
Total Number of Units: 238, plus 2 manager units
Type: New Construction
Type of Units: Senior Citizens

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 41%
15% (36 units) restricted to 50% or less of area median income households.
26% (61 units) restricted to 60% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	48,594,049	
Estimated Hard Costs per Unit:	\$	85,920	(\$20,448,960 /238 units)
Estimated per Unit Cost:	\$	204,177	(\$48,594,049 /238 units)
Allocation per Unit:	\$	466,807	(\$45,280,313 /238 units)
Allocation per Restricted Rental Unit:	\$	466,807	(\$45,280,313 /97 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 45,280,313	\$ 45,280,313
Developer Equity	\$ 1,038,873	\$ 0
Deferred Developer Fee and Deposits	\$ 2,274,863	\$ 399,212
LIH Tax Credit Equity	\$ 0	\$ 2,914,524
Total Sources	\$ 48,594,049	\$ 48,594,049

Uses of Funds:	
Land Purchase	\$ 2,778,750
On & Off Site Costs	\$ 1,143,279
Hard Construction Costs	\$ 19,305,681
Architect & Engineering Fees	\$ 357,451
Contractor Overhead & Profit	\$ 2,265,424
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 269,000
Capitalized Interest	\$ 6,468,000
Neg. Arb., Impact Fees, Lega, etc.	\$ 13,506,464
Total Uses	\$ 48,594,049

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: 58.5 out of 98
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$45,280,313 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	0
Exceeding Minimum Income Restrictions:	35	15	5.8
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	7.2
Gross Rents	5	5	0
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	15	15	15
Site Amenities	10	10	2.5
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	58.5

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.