

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
November 17, 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: \$12,192,130

Project Information:
Name: Village II Apartments
Project Address: 506 Civic Center Boulevard
Project City, County, Zip Code: Suisun, Solano, 94585

Project Sponsor Information:
Name: Village II Suisun, LP (Solano Affordable Housing Foundation)
Principals: Viola Robertson, G. Ben Huber, Robert Jones and John Lughmiller.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Merchant Capital, L.L.C.
Credit Enhancement Provider: HUD/ PNC Bank N.A.
TEFRA Hearing Date: June 1, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 105, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (105 units) restricted to 50% or less of area median income households.
Unit Mix: Studio, 3 & 4 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

| | | | |
|---|----|------------|--------------------------------------|
| Estimated Total Development Cost: | \$ | 19,209,026 | |
| Estimated Hard Costs per Unit: | \$ | 37,953 | (\$3,985,081 /105 units) |
| Estimated per Unit Cost: | \$ | 182,943 | (\$19,209,026 /105 units) |
| Allocation per Unit: | \$ | 116,116 | (\$12,192,130 /105 units) |
| Allocation per Restricted Rental Unit: | \$ | 116,116 | (\$12,192,130 /105 restricted units) |

| Sources of Funds: | <u>Construction</u> | <u>Permanent</u> |
|--------------------------|----------------------|----------------------|
| Tax-Exempt Bond Proceeds | \$ 12,192,300 | \$ 12,192,300 |
| Cost to Perm. | \$ 1,671,945 | \$ 0 |
| LIH Tax Credit Equity | \$ 1,150,000 | \$ 3,649,515 |
| Seller Take Back | \$ 3,794,781 | \$ 2,207,161 |
| Operating Reserve | \$ 400,000 | \$ 1,160,050 |
| Total Sources | \$ 19,209,026 | \$ 19,209,026 |

| Uses of Funds: | |
|------------------------------|----------------------|
| Acquisition Cost | \$ 8,475,000 |
| On & Off Site Costs | \$ 166,312 |
| Hard Construction Costs | \$ 3,818,769 |
| Architect & Engineering Fees | \$ 187,323 |
| Contractor Overhead & Profit | \$ 450,000 |
| Developer Fee | \$ 1,902,193 |
| Relocation | \$ 926,000 |
| Cost of Issuance | \$ 1,039,226 |
| Capitalized Interest | \$ 417,025 |
| Other Soft Costs | \$ 1,827,178 |
| Total Uses | \$ 19,209,026 |

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: 65.5 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$12,192,130 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 | 5 |
| Large Family Units | 5 | 5 | 5 |
| Leveraging | 10 | 10 | 0 |
| Community Revitalization Area | 15 | 15 | 10 |
| Site Amenities | 10 | 10 | 7.5 |
| Service Amenities | 10 | 10 | 0 |
| New Construction | 10 | 10 | 0 |
| Sustainable Building Methods | 8 | 8 | 3 |
| Negative Points | -10 | -10 | 0 |
| Total Points | 118 | 98 | 65.5 |

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.