

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: \$5,000,000

Project Information:
Name: Astper Place Apartments
Project Address: Myrtle Drive
Project City, County, Zip Code: Eureka, Humboldt, 95501

Project Sponsor Information:
Name: Eureka Aster Place, LP (Community Revitalization and Development Corporation, Roope, LLC and Johnson & Johnson Investments, LLC)
Principals: David Rutledge, Caleb Roope, Dan and Kendra Jonson

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Citibank N.A./ Freddie Mac
Credit Enhancement Provider: Citibank N.A./ Freddie Mac
Private Placement Purchaser: N/A
TEFRA Hearing Date: August 17, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 39, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
21% (8 units) restricted to 50% or less of area median income households.
79% (31 units) restricted to 60% or less of area median income households.
Unit Mix: 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	8,923,393	
Estimated Hard Costs per Unit:	\$	135,636	(\$5,289,800 /39 units)
Estimated per Unit Cost:	\$	228,805	(\$8,923,393 /39 units)
Allocation per Unit:	\$	128,205	(\$5,000,000 /39 units)
Allocation per Restricted Rental Unit:	\$	128,205	(\$5,000,000 /39 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 5,000,000	\$ 2,000,000
Deferred Developer Fee	\$ 971,146	\$ 395,000
LIH Tax Credit Equity	\$ 253,373	\$ 2,303,393
Direct & Indirect Public Funds	\$ 2,543,286	\$ 4,225,000
Deferred Cost	\$ 155,588	\$ 0
Total Sources	\$ 8,923,393	\$ 8,923,393

Uses of Funds:	
Land Purchase	\$ 600,000
On & Off Site Costs	\$ 995,072
Hard Construction Costs	\$ 4,294,728
Architect & Engineering Fees	\$ 295,000
Contractor Overhead & Profit	\$ 302,400
Developer Fee	\$ 971,146
Cost of Issuance	\$ 406,082
Capitalized Interest	\$ 259,921
Other Soft Costs, Marketing	\$ 799,044
Total Uses	\$ 8,923,393

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: 71.9 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$5,000,000 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	30
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	1.9
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
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	71.9

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.