

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 26, 2011
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: \$16,500,000

Project Information:
Name: Sunrise Pointe Apartments
Project Address: 46725 Clinton Street
Project City, County, Zip Code: Indio, Riverside, 92201-5483

Project Sponsor Information:
Name: Capital Foresight Communities I, L.P. (Fontana AV Management, LLC and AOF/Pacific Fontana AV Management, LLC)
Principals: Naty Saidoff, Raman Nayar, Phillip J. Kennedy and Kathryn T. Walker

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Citibank, N.A.
Credit Enhancement Provider: Citibank, N.A. / Freddie Mac
TEFRA Hearing Date: December 15, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 269, plus 3 manager units
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
10% (27 units) restricted to 50% or less of area median income households.
90% (242 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:	\$ 21,327,454	
Estimated Hard Costs per Unit:	\$ 16,602	(\$4,465,980 /269 units)
Estimated per Unit Cost:	\$ 79,284	(\$21,327,454 /269 units)
Allocation per Unit:	\$ 61,338	(\$16,500,000 /269 units)
Allocation per Restricted Rental Unit:	\$ 61,338	(\$16,500,000 /269 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 16,500,000	\$ 12,830,000
Deferred Developer Fee	\$ 2,339,977	\$ 2,339,977
LIH Tax Credit Equity	\$ 2,130,199	\$ 5,800,199
Deferred Contractor Fee	\$ 357,278	\$ 357,278
Total Sources	\$ 21,327,454	\$ 21,327,454

Uses of Funds:	
Land Purchase	\$ 11,500,000
Hard Construction Costs	\$ 4,465,980
Architect & Engineering Fees	\$ 50,000
Contractor Overhead & Profit	\$ 625,237
Developer Fee	\$ 2,463,134
Cost of Issuance	\$ 510,000
Capitalized Interest	\$ 408,750
Marketing, etc.	\$ 1,304,353
Total Uses	\$ 21,327,454

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: 73 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$16,500,000 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	25
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	0
Leveraging	10	10	0
Community Revitalization Area	15	15	15
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	73

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.