

**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*

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**Applicant:** California Statewide Communities Development Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$16,500,000

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

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**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

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**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

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**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

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**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

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**Term of Restrictions:**  
**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

|   |    |            |                                      |
|---|----|------------|--------------------------------------|
| <b>Estimated Total Development Cost:</b>      | \$ | 21,327,454 |                                      |
| <b>Estimated Hard Costs per Unit:</b>         | \$ | 16,602     | (\$4,465,980 /269 units)             |
| <b>Estimated per Unit Cost:</b>               | \$ | 79,284     | (\$21,327,454 /269 units)            |
| <b>Allocation per Unit:</b>                   | \$ | 61,338     | (\$16,500,000 /269 units)            |
| <b>Allocation per Restricted Rental Unit:</b> | \$ | 61,338     | (\$16,500,000 /269 restricted units) |

| <b>Sources of Funds:</b> | 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 |

| <b>Uses of Funds:</b>        |               |
|------------------------------|---------------|
| 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<br>[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             |
| <b>Total Points</b>   | <b>118</b>   | <b>98</b>  | <b>73</b>     |

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.