

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
April 26, 2011  
Staff Report  
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A  
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: Crystal Alvarez

---

**Applicant:** City of Yucaipa

---

**Allocation Amount Requested:**  
**Tax-exempt:** \$6,500,000

---

**Project Information:**  
**Name:** Yucaipa Senior Terrace Apartments  
**Project Address:** 34955 Yucaipa Boulevard  
**Project City, County, Zip Code:** Yucaipa, San Bernardino, 92399

---

**Project Sponsor Information:**  
**Name:** 34967 Yucaipa Blvd., LP (Corporation for Better Housing)  
**Principals:** Gwendy Silver Egnater and Davis Scalfani

---

**Project Financing Information:**  
**Bond Counsel:** Stradling, Yocca, Carlson & Rauth  
**Private Placement Purchaser:** Hunt Capital Partners, LLC  
**TEFRA Hearing Date:** March 28, 2011

---

**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 44, plus 1 manager unit  
**Type:** New Construction  
**Type of Units:** Senior Citizens

The Yucaipa Redevelopment Agency received an award of allocation at the March 16, 2011 allocation meeting on behalf of the proposed project. Due to pending legislation that would abolish the redevelopment agencies, the project sponsor and city government agreed that a change in issuer was necessary to prevent a possible project development delay. The City of Yucaipa is requesting a new allocation as the Applicant/Issuer of the project.

The proposed development will be situated on an approximate 1.36 acres site within the Yucaipa Uptown Business Specific Plan. The apartments will consist of (1) three-story corridor building with on grade parking. The community area will be approximately 1,500 square feet. Common amenities will include: elevator access to each floor, laundry facility, perimeter fencing, clubhouse, community room with common kitchen, computer room with high speed internet connection, barbeque and picnic area, 1/4 acre community garden and on site management.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
59% (26 units) restricted to 50% or less of area median income households.  
41% (18 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1 & 2 bedrooms

Of the 45 units planned for this development, 36 apartments will be one-bedroom units of approximately 528 square feet and 9 apartments will be two-bedroom units of approximately 752 square feet. The residents are within a half mile of Center Park, Asadero's Super market and Scherer Senior Center.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$	9,895,742	
<b>Estimated Hard Costs per Unit:</b>	\$	102,291	(\$4,500,796 /44 units)
<b>Estimated per Unit Cost:</b>	\$	224,903	(\$9,895,742 /44 units)
<b>Allocation per Unit:</b>	\$	147727.273	(\$6,500,000 /44 units)
<b>Allocation per Restricted Rental Unit:</b>	\$	147727.273	(\$6,500,000 /44 restricted units)

Delete these rows

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 6,500,000	\$ 1,936,538
Taxable Bond Proceeds	\$	\$ 479,827
LIH Tax Credit Equity	\$ 292,854	\$ 3,554,925
Direct & Indirect Public Funds	\$ 2,462,311	\$ 3,924,452
<b>Total Sources</b>	<b>\$ 9,255,165</b>	<b>\$ 9,895,742</b>
 <b>Uses of Funds:</b>		
On & Off Site Costs	\$ 809,796	
Hard Construction Costs	\$ 3,691,000	
Architect & Engineering Fees	\$ 233,100	
Contractor Overhead & Profit	\$ 360,096	
Developer Fee	\$ 1,230,000	
Relocation	\$ 240,800	
Other Soft Costs (Marketing, etc.)	\$ 3,330,950	
<b>Total Uses</b>	<b>\$ 9,895,742</b>	

**Description of Financial Structure and Bond Issuance:**

Hunt Capital Partners, LLC will purchase the \$6.5M bond issuance through a private placement providing an (18) eighteen month construction loan and 35 thirty-five year amortized permanent loan with a fixed rate. Additional construction financing sources of \$1,662,311 from the Yucaipa Redevelopment Agency and \$292,854 from Hunt Capital Partner as the Tax Credit Equity investor.

---

**Analyst Comments:**

Not Applicable

---

**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:**

70.5 out of 118

[See Attachment A]

---

**Recommendation:**

Staff recommends that the Committee approve \$6,500,000 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	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	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
<b>Total Points</b>	<b>118</b>	<b>98</b>	<b>70.5</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.