

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 18, 2011
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$9,000,000

Project Information:
Name: Aspens at South Lake Tahoe Apartments
Project Address: 3521 & 3541 Pioneer Trail
Project City, County, Zip Code: South Lake Tahoe, El Dorado, 96150

Project Sponsor Information:
Name: SLT Pacific Associates, a California L.P. (Central Valley Coalition for Affordable Housing and Roope, LLC)
Principals: Christina Alley and Jennifer Bertuccio for Central Valley Coalition for Affordable Housing; Caleb Roope for Roope, LLC.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Citibank, N.A. as Freddie Mac Delegated Lender
Credit Enhancement Provider: Citibank, N.A. as Freddie Mac Delegated Lender
TEFRA Hearing Date: April 12, 2011

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 47, plus 1 manager unit
Type: New Construction
Type of Units: Family

The Project will be a newly constructed LEED certified 47 unit apartment site designed to meet the unique needs of the Tahoe climate and architecture codes. The unit mix will be 18 one-bedroom units, 14 two-bedroom units and 16 three-bedroom units. All units will have hook ups for a washer and dryer and feature a covered patio or balcony and a secure storage area. The Project will also include a community building with office, maintenance room, computer learning area, laundry facility, community kitchen and a community/ TV room. The development includes a covered bicycle storage area, centrally located playground and a picnic area for family enjoyment.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (47 units) restricted to 50% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

The design of the apartments will adhere to all necessary requirements to satisfy Section 504 as well as any additional mandates that the local jurisdiction deems appropriate.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 15,948,874	
Estimated Hard Costs per Unit:	\$ 169,894	(\$7,985,004 /47 units)
Estimated per Unit Cost:	\$ 339,338	(\$15,948,874 /47 units)
Allocation per Unit:	\$ 191,489	(\$9,000,000 /47 units)
Allocation per Restricted Rental Unit:	\$ 191,489	(\$9,000,000 /47 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 9,000,000	\$ 1,800,000
Deferred Developer Fee	\$ 1,200,000	\$ 657,000
LIH Tax Credit Equity	\$ 484,361	\$ 5,441,874
Direct & Indirect Public Funds	\$ 5,175,000	\$ 8,050,000
Other (Deferred Costs)	\$ 89,513	\$ 0
Total Sources	\$ 15,948,874	\$ 15,948,874

Uses of Funds:	
Land Purchase	\$ 1,855,000
On & Off Site Costs	\$ 1,400,000
Hard Construction Costs	\$ 6,585,004
Contractor Overhead & Profit	\$ 566,416
Developer Fee	\$ 1,200,000
Cost of Issuance	\$ 535,832
Capitalized Interest	\$ 450,000
Other Soft Costs	\$ 3,356,622
Total Uses	\$ 15,948,874

Description of Financial Structure and Bond Issuance:

This will be a \$9,000,000 construction loan bought down to a \$1,800,000 permanent loan. The 30 year permanent loan term will have a 4.93% interest rate and the construction period LOC fee is 2%. Outside Bond closing date is December 15, 2011.

Analyst Comments:

The Aspens at South Lake Tahoe project application, which originally identified a \$2.5MM loan funded through future multiple-year housing set-aside, was revised to reduce the RDA loan amount to the amount on-hand (\$1.5MM). The Project Sponsor will replace the difference via a proposed Federal Home Loan Bank Affordable Housing Program grant; commonly received by projects of this type. As such, the Project is now in a similar situation to the other RDA-supported projects and staff believes the Project can proceed with an award of allocation. Additionally, the project includes three disabled units.

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: 72.5 out of 118

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$9,000,000 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	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	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	0
Negative Points	-10	-10	0
Total Points	118	98	72.5

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.