

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 16, 2012
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: \$6,440,463

Project Information:
Name: Viscaya Gardens Apartments
Project Address: 1000 Rosemary Avenue
Project City, County, Zip Code: Dinuba , Tulare, 93618

Project Sponsor Information:
Name: To be determined (Self-Help Enterprises)
Principals: Peter N. Cary, Thomas Collishaw, Kathy Long-Pence, Bill Evans, Denise Fletcher and Doug Pingel
Property Management Company: Always With Integrity Property Management

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Wells Fargo Bank, N.A. (Construction)
TEFRA Hearing Date: March 13, 2012

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 Viscaya Gardens Apartments is a proposed multi-family new construction project located on 4.68 acres. The surrounding neighborhood includes newly developed single family residence to the east, west, north and south. The Project will be marketed to low income families and Farmworker households. The 48 units consist of: 24-two bedroom/one bath, 985 square foot single story units; 22-three bedroom/two bath townhouses, 1,494 square foot units; and 2-three bedroom/two bath single story, 1,244 square foot units. Additionally, all units will have a refrigerator, dishwasher, garbage disposal, gas stove, carpeting, central air and gas heating, washer and dryer hookups, patio, storage, hall closet and blinds.

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: 2 & 3 bedrooms

The Project Sponsor has committed to providing after school programs and instructor-led educational classes for a period of 10 years.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 11,493,507	
Estimated Hard Costs per Unit:	\$ 141,564	(\$6,653,520 /47 units)
Estimated per Unit Cost:	\$ 244,543	(\$11,493,507 /47 units)
Allocation per Unit:	\$ 137,031	(\$6,440,463 /47 units)
Allocation per Restricted Rental Unit:	\$ 137,031	(\$6,440,463 /47 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 6,440,463	\$ 0
Developer Deferred Fees	\$ 0	\$ 409,000
Developer Equity	\$ 0	\$ 327
LIH Tax Credit Equity	\$ 50,000	\$ 3,202,751
Direct & Indirect Public Funds	\$ 3,733,665	\$ 7,855,439
Deferred Accrued Interest	\$ 25,990	\$ 25,990
Total Sources	\$ 10,250,118	\$ 11,493,507

Uses of Funds:	
Land Purchase	\$ 541,250
On & Off Site Costs	\$ 803,250
Hard Construction Costs	\$ 5,850,270
Architect & Engineering Fees	\$ 250,000
Contractor Overhead & Profit	\$ 881,260
Developer Fee	\$ 1,200,000
Cost of Issuance	\$ 154,498
Capitalized Interest	\$ 204,894
Other Soft Costs (Marketing, etc.)	\$ 1,608,085
Total Uses	\$ 11,493,507

Description of Financial Structure and Bond Issuance:

The tax-exempt bonds will be privately placed with Wells Fargo Bank, N.A. during construction and paid-off with the Home loan. The bonds will carry an interest rate of LIBOR plus 1.50% for a term of 18 months. Additional sources of funding for the Project are the Multifamily Housing Program funds and tax credit equity.

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: 105 out of 130

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$6,440,463 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]	10
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	10
New Construction	10	10	10
Sustainable Building Methods	10	10	10
Negative Points	-10	-10	0
Total Points	130	100	105

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.