

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 26, 2008
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 \$18,600,000

Project Name: Charter Court Apartments
Project Address: 1200 Ranchero Way
Project City, County, Zip Code: San Jose, Santa Clara, 95117

The proposed Project is located in a distressed community, more specifically the City of San Jose Consolidated Plan 2005-2010.

Project Sponsor Information:
Name: Charter Court SJC, L.P. (Charter Court SJC MGP, LLC and Charter Court SJC COGP, LLC)
Principals: Jonathan B. Webb, William W. Hirsch, Mark E. Hyatt, Chris M. Burns and Heidi K. Bass

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation, LLP
Underwriter: Centerline Capital Group
Credit Enhancement Provider: Centerline Capital Group
Private Placement Purchaser: Not Applicable
TEFRA Hearing: January 23, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 93, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
10% (10 units) restricted to 50% or less of area median income households; and
90% (83 units) restricted to 60% or less of area median income households.
Unit Mix: 1 and 2 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$23,826,811
Estimated Hard Costs per Unit:	\$ 19,742 (\$1,835,993/93 units)
Estimated per Unit Cost:	\$ 256,202 (\$23,826,811/93 units)
Allocation per Unit:	\$ 200,000 (\$18,600,000/93 units)
Allocation per Restricted Rental Unit:	\$ 200,000 (\$18,600,000/93 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$18,600,000	\$14,774,000
Deferred Developer Fee	\$ 0	\$ 1,796,978
LIH Tax Credit Equity	<u>\$ 2,381,200</u>	<u>\$ 7,255,833</u>
Total Sources	\$20,981,200	\$23,826,811

Uses of Funds:	
Land Purchase	\$17,235,500
Hard Construction Costs	\$ 1,835,993
Architect & Engineering Fees	\$ 35,000
Contractor Overhead & Profit	\$ 157,371
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 675,204
Capitalized Interest	\$ 677,671
Other Soft Costs	<u>\$ 710,072</u>
Total Uses	\$23,826,811

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: 64 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$18,600,000 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: Non-Mixed Income Project Mixed Income Project	35	15	26
Gross Rents	5	5	5
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	0
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	5
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	NA
Total Points	128	108	64

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.