

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
November 17, 2010
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Brady Hill

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$8,000,000

Project Information:
Name: Rodeo Drive Meadows Apartments
Project Address: Rodeo Drive
Project City, County, Zip Code: Victorville , San Bernardino, 92395

Project Sponsor Information:
Name: Victorville Pacific Associates, a California L.P. (Central Valley Coalition for Affordable Housing and Roope, LLC)
Principals: Christina Alley and Renee Downum 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. / Freddie Mac
Credit Enhancement Provider: Citibank, N.A. / Freddie Mac
TEFRA Hearing Date: September 7, 2010

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

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
11% (5 units) restricted to 50% or less of area median income households.
89% (42 units) restricted to 60% or less of area median income households.
Unit Mix: 2, 3 & 4 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

| | | |
|---|---------------|------------------------------------|
| Estimated Total Development Cost: | \$ 11,721,191 | |
| Estimated Hard Costs per Unit: | \$ 134,354 | (\$6,314,632 /47 units) |
| Estimated per Unit Cost: | \$ 249,387 | (\$11,721,191 /47 units) |
| Allocation per Unit: | \$ 170,213 | (\$8,000,000 /47 units) |
| Allocation per Restricted Rental Unit: | \$ 170,213 | (\$8,000,000 /47 restricted units) |

| Sources of Funds: | <u>Construction</u> | <u>Permanent</u> |
|--------------------------------|----------------------|----------------------|
| Tax-Exempt Bond Proceeds | \$ 8,000,000 | \$ 3,100,000 |
| CTCAC ARRA Loan | \$ 0 | \$ 1,228,598 |
| Deferred Developer Fee | \$ 1,307,086 | \$ 445,000 |
| LIH Tax Credit Equity | \$ 305,459 | \$ 3,054,593 |
| Direct & Indirect Public Funds | \$ 1,904,266 | \$ 3,893,000 |
| Deferred Costs | \$ 204,380 | \$ 0 |
| Total Sources | \$ 11,721,191 | \$ 11,721,191 |

| Uses of Funds: | |
|------------------------------|----------------------|
| Land Purchase | \$ 965,000 |
| On & Off Site Costs | \$ 768,000 |
| Hard Construction Costs | \$ 5,546,632 |
| Architect & Engineering Fees | \$ 400,000 |
| Contractor Overhead & Profit | \$ 509,580 |
| Developer Fee | \$ 1,307,086 |
| Cost of Issuance | \$ 211,180 |
| Capitalized Interest | \$ 400,078 |
| Other Soft Costs | \$ 1,613,635 |
| Total Uses | \$ 11,721,191 |

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: 60 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$8,000,000 in tax exempt bond allocation on a carryforward basis.

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 [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 | 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 | 60 |

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.