

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 27, 2009
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: \$1,810,000

Project Information:
Name: Desert Oak Apartments
Project Address: 2870 Oak Creek Road
Project City, County, Zip Code: Mojave, Kern, 93501

Project Sponsor Information:
Name: Kern 2008 Community Partners, L.P. (Kern 2008 Partners, LLC and Wilfred N. Cooper, Jr.)
Principals: Wilfred N. Cooper, Jr.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Bonneville Mortgage Company
TEFRA Hearing: April 28, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 41, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family/Federally Assisted At-Risk

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
32% (13 units) restricted to 50% or less of area median income households.
68% (28 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	3,797,976	
Estimated Hard Costs per Unit:	\$	15,225	(\$624,241 /41 units)
Estimated per Unit Cost:	\$	92,634	(\$3,797,976 /41 units)
Allocation per Unit:	\$	44,146	(\$1,810,000 /41 units)
Allocation per Restricted Rental Unit:	\$	44,146	(\$1,810,000 /41 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 1,810,000	\$ 985,000
Deferred Developer Fee	\$ 54,103	\$ 54,103
LIH Tax Credit Equity	\$ 64,573	\$ 889,573
Direct & Indirect Public Funds	\$ 1,711,815	\$ 1,711,815
Other (RD Reserves)	\$ 157,485	\$ 157,485
Total Sources	\$ 3,797,976	\$ 3,797,976

Uses of Funds:	
Acquisition Costs	\$ 1,985,285
Hard Construction Costs	\$ 624,241
Architect & Engineering Fees	\$ 61,500
Contractor Overhead & Profit	\$ 96,757
Developer Fee	\$ 417,495
Relocation	\$ 5,000
Cost of Issuance	\$ 54,082
Financing Placement	\$ 190,798
Reserves (Operating and Private RA)	\$ 78,051
Capitalized Interest	\$ 4,757
Other Soft Costs (Marketing, etc.)	\$ 280,010
Total Uses	\$ 3,797,976

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: 65 out of 128
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$1,810,000 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	10
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	5
Service Amenities	10	10	0
New Construction	10	10	0
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
Total Points	128	108	65

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.