

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 23, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Brady Hill

Applicant: Housing Authority of the County of Santa Clara

Allocation Amount Requested:
Tax-exempt: \$14,226,042

Project Information:
Name: Cypress Gardens Apartments
Project Address: 3555 Judro Way
Project City, County, Zip Code: San Jose, Santa Clara, 95117

Project Sponsor Information:
Name: Housing Authority of the County of Santa Clara
Principals: Alex Sanchez and Bakulesh Patel

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Prudential Affordable Mortgage Company / Freddie Mac
Private Placement Purchaser: Not Applicable
TEFRA Hearing Date: June 9, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 123, plus 2 manager units
Type: Acquisition and Rehabilitation
Type of Units: Senior Citizens

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
11% (13 units) restricted to 50% or less of area median income households.
89% (110 units) restricted to 60% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	27,215,958	
Estimated Hard Costs per Unit:	\$	53,663	(\$6,600,514 /123 units)
Estimated per Unit Cost:	\$	221,268	(\$27,215,958 /123 units)
Allocation per Unit:	\$	115,659	(\$14,226,042 /123 units)
Allocation per Restricted Rental Unit:	\$	115,659	(\$14,226,042 /123 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 14,226,042	\$ 4,666,209
Deferred Developer Fee	\$ 1,083,136	\$ 1,083,136
Developer Equity	\$ 31	\$ 4,390,489
LIH Tax Credit Equity	\$ 2,151,395	\$ 7,171,317
Direct & Indirect Public Funds	\$ 8,950,453	\$ 8,950,453
Other	\$ 0	\$ 954,354
Total Sources	\$ 26,411,057	\$ 27,215,958

Uses of Funds:	
Acquisition Costs	\$ 13,200,000
On & Off Site Costs	\$ 256,979
Hard Construction Costs	\$ 6,343,535
Architect & Engineering Fees	\$ 1,166,470
Contractor Overhead & Profit	\$ 823,009
Developer Fee	\$ 2,166,272
Relocation	\$ 500,000
Cost of Issuance	\$ 374,717
Capitalized Interest	\$ 1,276,287
Other Soft Costs	\$ 1,108,689
Total Uses	\$ 27,215,958

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: 78 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$14,226,042 in tax exempt bond allocation on a carryforward basis.

The CDLAC bond issuance deadline shall be 1) the project specific California Tax Credit Allocation Committee closing deadline for January 27, 2010 TCAP/Exchange awards or 2) August 25, 2010 for those applicants unsuccessful in obtaining a TCAP/Exchange award on January 27, 2010

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]	10
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	10
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	78

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.