

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 Tulare

Allocation Amount Requested:
Tax-exempt: \$10,000,000

Project Information:
Name: Tule Vista Apartments
Project Address: Intersection of Park Avenue and E Street
Project City, County, Zip Code: Tulare, Tulare, 93274

Project Sponsor Information:
Name: Tule Vista Associates, a California Limited Partnership (Kaweah Management Company and Roope, LLC)
Principals: Kenneth Kugler and M. Lowe for Kaweah Management Company; Caleb Roope for Roope, LLC

Project Financing Information:
Bond Counsel: Quint & Thimmig LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citicorp Municipal Mortgage Inc.
TEFRA Hearing Date: August 18, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 56, 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% (6 units) restricted to 50% or less of area median income households.
89% (50 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:	\$ 16,916,951	
Estimated Hard Costs per Unit:	\$ 197,185	(\$10,016,384 /56 units)
Estimated per Unit Cost:	\$ 302,088	(\$16,916,951 /56 units)
Allocation per Unit:	\$ 178,571	(\$10,000,000 /56 units)
Allocation per Restricted Rental Unit:	\$ 178,571	(\$10,000,000 /56 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 10,000,000	\$ 3,000,000
Deferred Developer Fee	\$ 2,101,114	\$ 1,050,000
LIH Tax Credit Equity	\$ 574,695	\$ 5,746,951
Direct & Indirect Public Funds	\$ 4,124,180	\$ 7,120,000
Deferred Costs	\$ 116,962	\$ 0
Total Sources	\$ 16,916,951	\$ 16,916,951

Uses of Funds:	
Land Purchase	\$ 385,000
On & Off Site Costs	\$ 1,026,000
Hard Construction Costs	\$ 10,016,384
Architect & Engineering Fees	\$ 400,000
Contractor Overhead & Profit	\$ 984,845
Developer Fee	\$ 2,101,114
Cost of Issuance	\$ 315,766
Capitalized Interest	\$ 350,000
Other Soft Costs	\$ 1,337,842
Total Uses	\$ 16,916,951

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: 61 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$10,000,000 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]	6
Gross Rents	5	5	0
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	61

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.