

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**January 23, 2008**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by Walter Akiyama.*

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**Applicant:** California Statewide Communities Development Authority

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**Allocation Amount Requested:** Tax-exempt \$14,400,000

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**Project Name:** Arborelle Apartments  
**Project Address:** 8007 Sunrise Blvd.  
**Project City, County, Zip Code:** Citrus Heights, Sacramento, 95610

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**Project Sponsor Information:**

**Name:** Arborelle, L.P.  
(Arborelle Apartments 179, LLC and  
JHC Arborelle, LLC)  
**Principals:** Bryan Ezralow, Marc Ezralow, Gary E. Freedman,  
David Michael Leff, Cristina Agra-Hughes,  
Gary D. Whitesides, Darren J. Horning, Laura  
Archuleta, Marcy V. Torres, Mary Jo Goelzer and  
Michael Massie

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**Project Financing Information:**

**Bond Counsel:** Jones Hall, A Professional Law Corporation  
**Underwriter:** Not applicable  
**Credit Enhancement Provider:** Not applicable  
**Private Placement Purchaser:** Citigroup Global Markets, Inc.  
**TEFRA Hearing:** December 13, 2007

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 177, plus 2 manager units  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Family

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**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project: 100%**  
20% (36 units) restricted to 50% or less of area median income households; and  
80% (141 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1 and 2 bedrooms

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**Term of Restrictions:** 55 years

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<b>Estimated Total Development Cost:</b>	\$23,365,767
<b>Estimated Hard Costs per Unit:</b>	\$ 16,686 (\$2,953,500/177 units)
<b>Estimated per Unit Cost:</b>	\$ 132,010 (\$23,365,767/177 units)
<b>Allocation per Unit:</b>	\$ 81,356 (\$14,400,000/177 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 81,356 (\$14,400,000/177 restricted units)

	<u>Construction</u>	<u>Permanent</u>
<b>Sources of Funds:</b>		
Tax-Exempt Bond Proceeds	\$14,400,000	\$14,400,000
Developer Equity	\$ 0	\$ 710,575
LIH Tax Credit Equity	\$ 5,206,886	\$ 7,476,598
Other (Cash Flow From Operations)	<u>\$ 778,594</u>	<u>\$ 778,594</u>
Total Sources	\$20,385,480	\$23,365,767

<b>Uses of Funds:</b>	
Acquisition Cost	\$14,500,000
Hard Construction Costs	\$ 2,953,500
Architect & Engineering Fees	\$ 15,000
Contractor Overhead & Profit	\$ 354,420
Developer Fee	\$ 2,500,000
Relocation	\$ 100,000
Cost of Issuance	\$ 150,140
Capitalized Interest	\$ 1,463,040
Other Soft Costs	<u>\$ 1,329,667</u>
Total Uses	\$23,365,767

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**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.

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**Total Points:** 60.5 out of 128  
 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$14,400,000 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	30
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	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	8
New Construction	10	10	0
Negative Points	NA	NA	0
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>60.5</b>

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.