

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 28, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$12,950,000

Project Information:
Name: Lakeside Silver Sage Apartments
Project Address: 11719 Woodside Avenue
Project City, County, Zip Code: Lakeside, San Diego, 92040

Project Sponsor Information:
Name: CIC Lakeside Silversage, L.P. (CIC Lakeside Silversage, L.L.C. and Pacific Southwest Community Development Corporation)
Principals: James J. Schmid for CIC Lakeside Silversage, L.L.C.; Tony Reyes and Robert W. Laing for Pacific Southwest Community Development Corporation

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: US Bank N. A.
TEFRA Hearing: December 9, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 79, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
20% (16 units) restricted to 50% or less of area median income households.
80% (63 units) restricted to 60% or less of area median income households.
Unit Mix: 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Estimated Total Development Cost:	\$ 23,788,520	
Estimated Hard Costs per Unit:	\$ 127,987	(\$10,110,958 /79 units)
Estimated per Unit Cost:	\$ 301,121	(\$23,788,520 /79 units)
Allocation per Unit:	\$ 163,924	(\$12,950,000 /79 units)
Allocation per Restricted Rental Unit:	\$ 163,924	(\$12,950,000 /79 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 12,950,000	\$ 8,100,000
Deferred Developer Fee	\$	\$ 893,520
LIH Tax Credit Equity	\$ 2,338,520	\$ 6,295,000
Direct & Indirect Public Funds	\$ 8,500,000	\$ 8,500,000
Total Sources	\$ 23,788,520	\$ 23,788,520

Uses of Funds:	
Acquisition Costs	\$ 4,810,000
New Construction Costs	\$ 12,409,992
Architectural	\$ 360,000
Survey & Engineering	\$ 90,000
Contingency Costs	\$ 750,500
Construction Period Expenses	\$ 709,424
Permanent Financing Expenses	\$ 91,250
Legal Fees	\$ 276,421
Capitalized Reserves	\$ 225,497
Reports & Studies	\$ 20,000
Other (Marketing, etc)	\$ 1,760,932
Developer Costs	\$ 2,284,504
Total Uses	\$ 23,788,520

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: 82.5 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$12,950,000 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:	35	15	30
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
Exceeding Minimum Term of Restrictions	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	2.5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
Total Points	128	108	82.5

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.