

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 Richard C. Fischer .

Applicant: California Statewide Communities Development Agency

Allocation Amount Requested: Tax-exempt \$4,800,000

Project Name: **Rio Colorado Apartments and Townhomes**
Project Address: 400 North Palm Drive
Project City, County, Zip Code: Blythe, Riverside, 92225

Project Sponsor Information:
Name: HPD Rio Colorado LLC (Highland Property Development LLC)
Principals: Douglas B. Day, Gary P. Downs, Kristoffer J. Kaufmann and William E. Rice.

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not applicable
Private Placement Purchaser: Bank of America
TEFRA Hearing: November 11, 2007

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 69, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
49% (34 units) restricted to 50% or less of area median income households; and
51% (35 units) restricted to 60% or less of area median income households.
Unit Mix: 2- and 3-bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$9,989,773
Estimated Hard Costs per Unit:	\$ 45,084 (\$3,110,800/69 units)
Estimated per Unit Cost:	\$ 144,779 (\$9,989,773/69 units)
Allocation per Unit:	\$ 69,565 (\$4,800,000/69 units)
Allocation per Restricted Rental Unit:	\$ 69,565 (\$4,800,000/69 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$4,800,000	\$2,800,000
Developer Equity	\$ 0	\$ 582,318
LIH Tax Credit Equity	\$ 444,070	\$2,960,468
Direct & Indirect Public Funds	<u>\$3,646,987</u>	<u>\$3,646,987</u>
Total Sources	\$8,891,057	\$9,989,773

Uses of Funds:	
Acquisition Cost	\$4,117,087
On-Site & Off-Site Costs	\$ 519,600
Hard Construction Costs	\$2,591,200
Architect & Engineering Fees	\$ 75,000
Contractor Overhead & Profit	\$ 395,920
Developer Fee	\$1,141,216
Cost of Issuance	\$ 92,750
Capitalized Interest	\$ 30,000
Other Soft Costs	<u>\$1,027,000</u>
Total Uses	\$9,989,773

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 \$4,800,000 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	35
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	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	0
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	NA
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.