

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 26, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Brady Hill.

Applicant: California Municipal Finance Authority

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

Project Name: Regent Plaza Apartments
Project Address: 201 W. Regent Street
Project City, County, Zip Code: Inglewood, Los Angeles, 90301

The proposed Project is located in a Community Revitalization area, more specifically in the In-Town Redevelopment Project Area.

Project Sponsor Information:

Name: Regent Plaza KBS, L.P. (Housing Corporation of America and KBS Housing, LLC)
Principals: Carol Cromar and Ronald H. Olson for Housing Corporation of America; Thomas L. Safran, Michael Kaplan and Stanley Black for KBS Housing, LLC

Project Financing Information:

Bond Counsel: Hawkins, Delafield & Wood LLP
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Citicorp Municipal Mortgage Inc.
TEFRA Hearing: December 4, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 106, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Senior, Federally Assisted At-Risk

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
21% (22 units) restricted to 50% or less of area median income households; and
79% (84 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$15,074,297
Estimated Hard Costs per Unit:	\$ 19,988 (\$2,118,759/106 units)
Estimated per Unit Cost:	\$ 142,210 (\$15,074,297/106 units)
Allocation per Unit:	\$ 94,340 (\$10,000,000/106 units)
Allocation per Restricted Rental Unit:	\$ 94,340 (\$10,000,000/106 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$10,000,000	\$10,000,000
Developer Equity	\$ 480,177	\$ 480,177
LIH Tax Credit Equity	\$ 3,977,180	\$ 3,977,180
NOI during construction	<u>\$ 616,940</u>	<u>\$ 616,940</u>
Total Sources	\$15,074,297	\$15,074,297

Uses of Funds:	
Acquisition Cost	\$ 9,523,513
On-Site & Off-Site Costs	\$ 138,500
Hard Construction Costs	\$ 1,980,259
Architect & Engineering Fees	\$ 120,000
Contractor Overhead & Profit	\$ 142,438
Developer Fee	\$ 1,694,461
Relocation	\$ 25,000
Cost of Issuance	\$ 329,500
Capitalized Interest	\$ 409,167
Other Soft Costs	<u>\$ 711,459</u>
Total Uses	\$15,074,297

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 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$10,000,000 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	20
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	5
Site Amenities	10	10	5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	128	108	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.