

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 28, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by John Weir

Applicant: The Housing Authority of the City of Sacramento

Allocation Amount Requested: Tax-exempt \$10,500,000

Project Name: Copperstone Village I Family Apartments, L.P.
Project Address: 8000 West Stockton Blvd.
Project City, County, Zip Code: Sacramento, Sacramento, 95758

Project Sponsor Information:

Name: Copperstone I Family Apartments, L.P.
(USA Properties Fund, Inc. and Riverside Charitable Corporation)
Principals: For USA Properties: Geoffrey C. Brown, President; Edward R Herzog, Exec.V.P.; Michael J McCleery, Sr. V.P.; Karen McCurdy; Sr. V.P. For Riverside Charitable Corp: Kenneth S. Robertson, President; Penny M. LaRue, Sec; Trisha Hockings, Treasurer; and Stewart Hall, V.P.

Project Financing Information:

Bond Counsel: Jones Hall, A Professiona Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Union Bank of California
TEFRA Hearing: March 25, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 102, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
36% (37 units) restricted to 50% or less of area median income households; and
64% (65 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, and 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$21,594,993
Estimated Hard Costs per Unit:	\$ 104,952 (\$10,705,705/102 units)
Estimated per Unit Cost:	\$ 211,715 (\$21,594,993/102 units)
Allocation per Unit:	\$ 102,941 (\$10,500,000/102 units)
Allocation per Restricted Rental Unit:	\$ 102,941 (\$10,500,000/102 units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$10,500,000	\$ 7,390,000
Developer Equity	\$ 0	\$ 1,200,000
LIH Tax Credit Equity	\$ 2,239,712	\$ 7,098,929
GP Loan	\$ 0	\$ 516,064
Direct & Indirect Public Funds	\$ 2,425,500	\$ 2,695,000
Master Developer Contribution	<u>\$ 2,695,000</u>	<u>\$ 2,695,000</u>
Total Sources	\$17,860,212	\$21,594,993

Uses of Funds:	
Land Purchase	\$ 2,709,319
On-Site & Off-Site Costs	\$ 2,160,995
Hard Construction Costs	\$ 8,544,080
Architect & Engineering Fees	\$ 625,000
Contractor Overhead & Profit	\$ 1,016,982
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 160,000
Capitalized Interest	\$ 363,645
Other Soft Costs	<u>\$ 3,514,972</u>
Total Uses	\$21,594,993

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: (74.3 out of 128)
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$10,500,000 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]	1.3
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	5
Sustainable Building Methods	8	8	3
New Construction	10	10	10
Negative Points	NA	NA	N/A
Total Points	128	108	74.3

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.