

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 16, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by John Weir

Applicant: California Housing Finance Agency

Allocation Amount Requested: Tax-exempt \$7,655,000

Project Name: Golden Age Gardens Apartments

Project Address: 740 South 36th Street
Project City, County, Zip Code: San Diego, San Diego, 92113

Project Sponsor Information:

Name: Golden Age Garden Housing Partners, LP (Amerland Group, LLC and Haeling Development, LLC)
Principals: Jules L. C. Arthur and Michele R. Arthur and Ruben Islas, Jr. of Amerland Group, LLC and Casey Haeling, of Development, LLC

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Merrill Lynch & Co.
Credit Enhancement Provider: California Housing Finance Agency
Private Placement Purchaser: Not Applicable
TEFRA Hearing: June 6, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 75, 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%
31% (23 units) restricted to 50% or less of area median income households; and
69% (52 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$13,695,560
Estimated Hard Costs per Unit:	\$21,907 (\$1,643,400 / 75 units)
Estimated per Unit Cost:	\$182,607 (\$13,695,560 / 75 units)
Allocation per Unit:	\$102,066 (\$7,655,000 / 75 units)
Allocation per Restricted Rental Unit:	\$102,066 (\$7,655,000 / 75 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$7,655,000	\$5,000,000
Existing Replacement Reserve	\$275,897	\$275,897
Existing Operating Reserves	\$54,665	\$54,665
Deferred Developer Fee	\$49,097	\$307,820
LIH Tax Credit Equity	\$1,487,939	\$4,322,716
Capitalized Interest	\$72,462	\$72,462
Direct & Indirect Public Funds	<u>\$3,662,000</u>	<u>\$3,662,000</u>
Total Sources	\$13,257,060	\$13,695,560

Uses of Funds:	
Acquisition	\$8,600,000
Rehabilitation Costs	\$2,026,908
Relocation	\$100,000
Architectural	\$35,000
Survey a& Engineering	\$8,000
Contingency Costs	\$164,340
Construction Period Expenses	\$377,849
Permanent Financing Expenses	\$28,600
Legal Fees	\$190,000
Capitalized Reserves	\$411,000
Reports & Studies	\$33,700
Other	\$145,163
Developer Costs	<u>1575000</u>
Total Uses	\$13,695,560

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: 87.5 out of 138

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$7,655,000 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 VIP Project	20	20	20
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	10	10	0
Exceeding Minimum Term of Restrictions	10	10	10
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	0
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	138	118	87.5

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.