

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 24, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Brady Hill

Applicant: Housing Authority of the City of Sacramento

Allocation Amount Requested: **Tax-exempt:** \$21,049,847

Project Information:

Name: Arena Seniors Apartments
Project Address: Southwest Corner of Truxel Road & Sports Parkway
Project City, County, Zip Code: Sacramento, Sacramento, 95835

Project Sponsor Information:

Name: IG Arena Seniors, a California limited partnership (Ionic Enterprises, Inc. and Greek Orthodox Housing Corporation)
Principals: Paul Z. Stamas for Ionic Enterprises, Inc.; Makis Stathopoulos for Greek Orthodox Housing Corporation

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citicorp Municipal Mortgage, Inc.
TEFRA Hearing: July 22, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 239, plus 1 manager's unit
Type: New Construction
Type of Units: Senior Citizens

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
30% (72 units) restricted to 50% or less of area median income households.
70% (167 units) restricted to 60% or less of area median income households.
Unit Mix: 1 and 2 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$29,772,801	
Estimated Hard Costs per Unit:	\$55,679	(\$13,307,244 / 239 units)
Estimated per Unit Cost:	\$124,572	(\$29,772,801 / 239 units)
Allocation per Unit:	\$88,075	(\$21,049,847 / 239 units)
Allocation per Restricted Rental Unit:	\$88,075	(\$21,049,847 / 239 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 21,049,847	\$ 17,155,787
Deferred Developer Fee	\$ 2,500,000	\$ 1,539,435
LIH Tax Credit Equity	\$ 4,785,633	\$ 9,640,258
Direct & Indirect Public Funds	\$ 1,437,321	\$ 1,437,321
Total Sources	\$ 29,772,801	\$ 29,772,801

Uses of Funds:	
Land Purchase	\$ 3,737,096
On & Off Site Costs	\$ 1,607,244
Hard Construction Costs	\$ 11,700,000
Architect & Engineering Fees	\$ 225,000
Contractor Overhead & Profit	\$ 1,262,000
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 931,253
Capitalized Interest	\$ 1,000,000
Other Soft Costs	\$ 6,810,208
Total Uses	\$ 29,772,801

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: 97.4 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$21,049,847 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
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	4.1
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	5.3
Exceeding Minimum Term of Restrictions	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	128	108	97.4

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.