

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 22, 2009
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Crystal Alvarez

Applicant: Loma Linda Redevelopment Agency

Allocation Amount Requested:
Tax-exempt: \$15,000,000

Project Information:
Name: Loma Linda Commons
Project Address: 10799 Poplar Street
Project City, County, Zip Code: Loma Linda, San Bernardino, 92354

Project Sponsor Information:
Name: 10799 Poplar St., L.P. (Corporation for Better Housing)
Principals: Gwendy Silver Egnater and David Sclafani

Project Financing Information:
Bond Counsel: Stradling, Yocca, Carlson & Rauth
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Alliant Mortgage Company, LLC
TEFRA Hearing Date: June 23, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 118, plus 2 manager units
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
61% (72 units) restricted to 50% or less of area median income households.
39% (46 units) restricted to 60% or less of area median income households.
Unit Mix: 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	20,481,091	
Estimated Hard Costs per Unit:	\$	95,487	(\$11,267,424 /118 units)
Estimated per Unit Cost:	\$	173,569	(\$20,481,091 /118 units)
Allocation per Unit:	\$	127,119	(\$15,000,000 /118 units)
Allocation per Restricted Rental Unit:	\$	127,119	(\$15,000,000 /118 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 15,000,000	\$ 7,425,800
Deferred Developer Equity	\$ 0	\$ 660,141
LIH Tax Credit Equity	\$ 536,356	\$ 6,746,310
Direct & Indirect Public Funds	\$ 3,648,840	\$ 5,648,840
Total Sources	\$ 19,185,196	\$ 20,481,091

Uses of Funds:

On & Off Site Costs	\$ 1,112,800
Hard Construction Costs	\$ 10,154,624
Architect & Engineering Fees	\$ 496,800
Contractor Overhead & Profit	\$ 625,968
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 386,000
Marketing, etc	\$ 5,204,899
Total Uses	\$ 20,481,091

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: 70.5 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$15,000,000 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	0
Exceeding Minimum Income Restrictions:	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]	0
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	2.5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	118	98	70.5

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.