

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 23, 2009
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Crystal Alvarez

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$5,850,000

Project Information:
Name: River Gardens Apartments
Project Address: 3195 Briarwood Avenue
Project City, County, Zip Code: Anderson, Shasta 96007

Project Sponsor Information:
Name: HPD Anderson LLC (Highland Property Development, LLC)
Principals: Douglas B. Day, Gary P. Downs, Kristoffer J. Kaufmann and William E. Rice

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: JP Morgan Chase Bank, N.A.
TEFRA Hearing Date: August 18, 2009

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 106, plus 2 manager units
Type: Acquisition and Rehabilitation
Type of Units: Family/Federally Assisted At-Risk

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
10% (11 units) restricted to 50% or less of area median income households.
90% (95 units) restricted to 60% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	10,695,604	
Estimated Hard Costs per Unit:	\$	23,915	(\$2,534,983 /106 units)
Estimated per Unit Cost:	\$	100,902	(\$10,695,604 /106 units)
Allocation per Unit:	\$	55,189	(\$5,850,000 /106 units)
Allocation per Restricted Rental Unit:	\$	55,189	(\$5,850,000 /106 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 5,850,000	\$ 4,650,000
Deferred Developer Equity	\$ 0	\$ 1,175,156
LIH Tax Credit Equity	\$ 2,023,146	\$ 2,940,448
Direct & Indirect Public Funds	\$ 1,930,000	\$ 1,930,000
Total Sources	\$ 9,803,146	\$ 10,695,604

Uses of Funds:	
Acquisition Costs	\$ 5,460,000
On & Off Site Costs	\$ 78,400
Hard Construction Costs	\$ 2,456,583
Architect & Engineering Fees	\$ 62,500
Contractor Overhead & Profit	\$ 172,741
Developer Fee	\$ 1,226,058
Relocation	\$ 25,000
Cost of Issuance	\$ 60,357
Capitalized Interest	\$ 60,000
Other Soft Costs (Marketing, etc)	\$ 1,093,965
Total Uses	\$ 10,695,604

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: 60.5 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$5,850,000 in tax exempt bond allocation on a carryforward basis.

The CDLAC bond issuance deadline shall be 1) the project specific California Tax Credit Allocation Committee closing deadline for January 27, 2010 TCAP/Exchange awards or 2) August 25, 2010 for those applicants unsuccessful in obtaining a TCAP/Exchange award on January 27, 2010.

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	10
Exceeding Minimum Income Restrictions:	35	15	25
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	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	2.5
Service Amenities	10	10	5
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	128	108	60.5

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.