

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 16, 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: \$23,000,000

Project Information:
Name: Palmdale Transit Village Apartments
Project Address: 365/405 Q Street
Project City, County, Zip Code: Palmdale, Los Angeles, 93550

Project Sponsor Information:
Name: Palmdale TOD Apartments, L.P. (Better Housing Solutions, Inc. and PRG Palmdale, GP LLC)
Principals: Adrian Almeida, Hector Garcia, Keith Rosenthal, Micahel Fried and Ron Orgel

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Nara Bank
TEFRA Hearing Date: November 4, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 154, plus 2 manager units
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
11% (17 units) restricted to 50% or less of area median income households.
89% (137 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	47,021,180	
Estimated Hard Costs per Unit:	\$	154,303	(\$23,762,586 /154 units)
Estimated per Unit Cost:	\$	305,332	(\$47,021,180 /154 units)
Allocation per Unit:	\$	149,351	(\$23,000,000 /154 units)
Allocation per Restricted Rental Unit:	\$	149,351	(\$23,000,000 /154 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 23,000,000	\$ 14,497,000
Deferred Developer Fee	\$ 0	\$ 2,184,473
LIH Tax Credit Equity	\$ 6,102,996	\$ 15,462,107
Direct & Indirect Public Funds	\$ 14,877,600	\$ 14,877,600
Total Sources	\$ 43,980,596	\$ 47,021,180

Uses of Funds:	
Acquisition Costs	\$ 3,900,000
New Construction Costs	\$ 31,176,102
Relocation	\$
Architectural	\$ 514,800
Survey & Engineering	\$ 315,600
Contingency Costs	\$ 1,658,805
Construction Period Expenses	\$ 1,810,000
Permanent Financing Expenses	\$ 144,970
Legal Fees	\$ 220,000
Capitalized Reserves	\$ 395,295
Reports & Studies	\$ 35,000
Other (Marketing, etc)	\$ 4,350,608
Developer Costs	\$ 2,500,000
Total Uses	\$ 47,021,180

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: 83 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$23,000,000 in tax exempt bond allocation on a carryforward basis.

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	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	5
Leveraging	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	118	98	83

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.