

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
May 26, 2010  
Staff Report  
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A  
QUALIFIED RESIDENTIAL RENTAL PROJECT*

*Prepared by: Richard Fischer*

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**Applicant:** California Housing Finance Agency

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**Allocation Amount Requested:**  
**Tax-exempt:** \$5,098,496

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**Project Information:**  
**Name:** Lakeview I Apartments  
**Project Address:** 32209 Riverside Drive  
**Project City, County, Zip Code:** Lake Elsinore, Riverside, 92530

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**Project Sponsor Information:**  
**Name:** LMV I Affordable (LVM I AGP. L.P and AHCDC Lake Meadow, LP)  
**Principals:** Joseph A. Stalzer, James Nardini, David Nahas, Gary Carpenter and Ken J. Reiner

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Prudential Affordable Mortgage Company (Freddie Mac)  
**Private Placement Purchaser:** Not Applicable  
**TEFRA Hearing Date:** March 12, 2010

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 87, plus 1 manager unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Family/Federally Assisted At-Risk

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project:** 100%  
22% (19 units) restricted to 50% or less of area median income households.  
78% (68 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2 & 3 bedrooms

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**Term of Restrictions:**  
**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$	9,184,323	
<b>Estimated Hard Costs per Unit:</b>	\$	22,689	(\$1,973,915 /87 units)
<b>Estimated per Unit Cost:</b>	\$	105,567	(\$9,184,323 /87 units)
<b>Allocation per Unit:</b>	\$	\$58,603	(\$5,098,496 /87 units)
<b>Allocation per Restricted Rental Unit:</b>	\$	58,603	(\$5,098,496 /87 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 5,098,496	\$ 5,098,496
Deferred Developer Fee	\$ 747,505	\$ 747,505
LIH Tax Credit Equity	\$ 1,513,162	\$ 1,891,453
Direct & Indirect Public Funds	\$ 1,134,000	\$ 1,134,000
Other	\$ 312,869	\$ 312,869
<b>Total Sources</b>	<b>\$ 8,806,032</b>	<b>\$ 9,184,323</b>

<b>Uses of Funds:</b>	
Acquisition Costs	\$ 4,451,500
Rehabilitation Costs	\$ 2,314,725
Relocation	\$ 74,600
Architectural	\$ 50,000
Survey & Engineering	\$ 49,000
Contingency Costs	\$ 246,819
Construction Period Expenses	\$ 29,000
Permanent Financing Expenses	\$ 278,860
Legal Fees	\$ 85,000
Capitalized Reserves	\$ 385,106
Reports & Studies	\$ 39,600
Other (Permits Fees, Taxes, Furnishings, etc)	\$ 190,801
Developer Costs	\$ 989,312
<b>Total Uses</b>	<b>\$ 9,184,323</b>

**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 128

[See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$5,098,496 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	10
Exceeding Minimum Income Restrictions:	35	15	31
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	7.5
Service Amenities	10	10	5
New Construction	10	10	0
Sustainable Building Methods	8	8	2
Negative Points	-10	-10	0
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>70.5</b>

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.