

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: Crystal Alvarez

Applicant: California Housing Finance Agency

Allocation Amount Requested:
Tax-exempt: \$4,653,850

Project Information:
Name: Lakeview II Apartments
Project Address: 32211 Riverside Drive
Project City, County, Zip Code: Lake Elsinore, Riverside, 92530

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

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

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 63, plus 1 manager unit
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%
24% (15 units) restricted to 50% or less of area median income households.
76% (48 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:	\$	6,875,153	
Estimated Hard Costs per Unit:	\$	27,372	(\$1,724,413 /63 units)
Estimated per Unit Cost:	\$	109,129	(\$6,875,153 /63 units)
Allocation per Unit:	\$	73,870	(\$4,653,850 /63 units)
Allocation per Restricted Rental Unit:	\$	73,870	(\$4,653,850 /63 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 4,653,850	\$ 4,653,850
Purchase Reserves	\$ 42,542	\$ 42,542
Deferred Developer Fee	\$ 490,916	\$ 490,916
LIH Tax Credit Equity	\$ 1,261,221	\$ 1,576,526
Other	\$ 0	\$ 111,319
Total Sources	\$ 6,448,529	\$ 6,875,153

Uses of Funds:	
Acquisition Costs	\$ 3,209,200
Rehabilitation Costs	\$ 1,927,891
Relocation	\$ 63,800
Architectural	\$ 22,500
Survey & Engineering	\$ 14,000
Contingency Costs	\$ 198,628
Construction Period Expenses	\$ 19,000
Permanent Financing Expenses	\$ 263,483
Legal Fees	\$ 75,000
Capitalized Reserves	\$ 140,322
Reports & Studies	\$ 39,000
Other (Marketing, etc)	\$ 88,311
Developer Costs	\$ 814,018
Total Uses	\$ 6,875,153

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: 64 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$4,653,850 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	32
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	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	5
New Construction	10	10	0
Sustainable Building Methods	8	8	2
Negative Points	-10	-10	0
Total Points	128	108	64

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.