

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 28, 2010
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Brady Hill

Applicant: California Housing Finance Agency

Allocation Amount Requested:

Tax-exempt: \$385,000

The amount of allocation requested is supplemental to the \$4,450,000 of allocation the Project received on May 26, 2010.

Project Information:

Name: Meadowview I Apartments
Project Address: 1640 Ruby Drive
Project City, County, Zip Code: Perris , Riverside, 92571

Project Sponsor Information:

Name: LMV I Affordable, LP (AHCDC Lake Meadowview, LLC and LMV I AGP, LP)
Principals: Joseph A. Stalzer, James Nadine and David C. Nahas for AHCDC Lake Meadow, LLC; Gary Carpenter and Ken J. Reiner for LMV I AGP, LP

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: 87, 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%
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

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

| | | | |
|---|----|-----------|------------------------------------|
| Estimated Total Development Cost: | \$ | 9,468,457 | |
| Estimated Hard Costs per Unit: | \$ | 34,025 | (\$2,960,142 /87 units) |
| Estimated per Unit Cost: | \$ | 108,833 | (\$9,468,457 /87 units) |
| Allocation per Unit: | \$ | 55,575 | (\$4,835,000 /87 units) |
| Allocation per Restricted Rental Unit: | \$ | 55,575 | (\$4,385,000 /87 restricted units) |

| Sources of Funds: | <u>Construction</u> | <u>Permanent</u> |
|-----------------------------------|---------------------|---------------------|
| Tax-Exempt Bond Proceeds | \$ 4,835,000 | \$ 4,835,000 |
| Deferred Developer Fee | \$ 19,486 | \$ 19,486 |
| LIH Tax Credit Equity | \$ 1,469,664 | \$ 1,837,080 |
| Direct & Indirect Public Funds | \$ 2,476,891 | \$ 2,476,891 |
| Purchase Reserves | \$ 300,000 | \$ 300,000 |
| Cost Deferred During Construction | \$ 367,416 | \$ 0 |
| Total Sources | \$ 9,468,457 | \$ 9,468,457 |

| Uses of Funds: | |
|--|---------------------|
| Acquisition | \$ 4,046,000 |
| Construction | \$ 2,960,142 |
| Architecture/Engineering/Third Party Reports | \$ 303,400 |
| Financing | \$ 313,674 |
| Reserves | \$ 386,201 |
| Legal Fees | \$ 246,000 |
| Developer Fee | \$ 802,683 |
| Furniture, Fixtures & Equipment | \$ 130,000 |
| Accounting/Admin | \$ 45,000 |
| Insurance | \$ 50,000 |
| Taxes | \$ 43,757 |
| Relocation | \$ 81,600 |
| Soft Cost Contingency | \$ 60,000 |
| Total Uses | \$ 9,468,457 |

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.

Recommendation:

Staff recommends that the Committee approve \$385,000 in tax exempt bond allocation.