

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 23, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Richard Fischer.

Applicant: California Housing Finance Agency

Allocation Amount Requested: Tax-exempt \$6,405,000

Project Name: Parkview Apartments
Project Address: 7552 Munson Way
Project City, County, Zip Code: Sacramento, Sacramento, 95823-2436

Located in Distressed Community Census area as defined Sacramento Housing and Redevelopment Agency

Project Sponsor Information:

Name: Parkview Affordable, L.P. (Parkview AGP, L.P., and Las Palmas Foundation)
Principals: Ken J. Reiner, Joseph Michaels and Victor Barone

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Merrill Lynch & Company
Credit Enhancement Provider: California Housing Finance Authority
TEFRA Hearing: April 11, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 96, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
30% (29 units) restricted to 50% or less of area median income households; and
70% (67 units) restricted to 60% or less of area median income households.
Unit Mix: 1-, 2-, and 3-bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$9,649,848
Estimated Hard Costs per Unit:	\$ 28,037 (\$2,691,577/96 units)
Estimated per Unit Cost:	\$ 100,519 (\$9,649,848/96 units)
Allocation per Unit:	\$ 66,719 (\$6,405,000/96 units)
Allocation per Restricted Rental Unit:	\$ 66,719 (\$6,405,000/96 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$6,180,000	\$6,405,000
Developer Equity	\$ 329,418	\$ 329,418
LIH Tax Credit Equity	\$2,425,718	\$2,695,242
Other	<u>\$ 220,188</u>	<u>\$ 220,188</u>
Total Sources	\$9,155,324	\$9,649,848

Uses of Funds:	
Land Purchase	\$4,600,000
Hard Construction Costs	\$2,411,335
Hard Costs Contingency	\$ 280,242
Architect & Engineering Fees	\$ 51,000
Contractor Overhead & Profit	\$ 192,907
Developer Fee	\$1,052,649
Relocation	\$ 73,800
Other Soft Costs	<u>\$ 987,915</u>
Total Uses	\$9,649,848

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: 63 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$6,405,000 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	NA
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	35	15	35
Gross Rents	5	5	5
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	0
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	10
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	NA
Total Points	128	108	63

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.