

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 26, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Walter Akiyama.

Applicant: Redevelopment Agency of the City of Los Banos

Allocation Amount Requested: Tax-exempt \$18,000,000

Project Name: Los Banos Family Apartments

Project Address: 1425 Ward Road

Project City, County, Zip Code: Los Banos, Merced, 93635

[The proposed Project is located in a Community Revitalization area, more specifically in the Los Banos Redevelopment Project Area.]

Project Sponsor Information:

Name: Ward Road Apartments, L.P.
(Corporation for Better Housing)

Principals: John Eleftheriou and David Sclafani

Project Financing Information:

Bond Counsel: Stradling, Yocca, Carlson & Rauth

Underwriter: Not applicable

Credit Enhancement Provider: Not applicable

Private Placement Purchaser: Citibank

TEFRA Hearing: May 16, 2007

Description of Proposed Project:

State Ceiling Pool: Rural

Total Number of Units: 103, plus 2 manager units

Type: New Construction

Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

78% (80 units) restricted to 50% or less of area median income households; and

22% (23 units) restricted to 60% or less of area median income households.

Unit Mix: 1, 2, 3 and 4 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$24,794,252
Estimated Hard Costs per Unit:	\$ 160,614 (\$16,543,258/103 units)
Estimated per Unit Cost:	\$ 240,721 (\$24,794,252/103 units)
Allocation per Unit:	\$ 174,757 (\$18,000,000/103 units)
Allocation per Restricted Rental Unit:	\$ 174,757 (\$18,000,000/103 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$18,000,000	\$ 1,565,000
Developer Equity	\$ 0	\$ 63,759
LIH Tax Credit Equity	\$ 572,965	\$10,924,493
Direct & Indirect Public Funds	\$ 4,441,000	\$11,241,000
AHP Subsidy	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Total Sources	\$24,013,965	\$24,794,252

Uses of Funds:	
On-Site & Off-Site Costs	\$ 1,566,837
Hard Construction Costs	\$14,976,421
Architect & Engineering Fees	\$ 875,000
Contractor Overhead & Profit	\$ 872,996
Developer Fee	\$ 1,267,500
Cost of Issuance	\$ 386,775
Other Soft Costs	<u>\$ 4,848,723</u>
Total Uses	\$24,794,252

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: 90.5 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$18,000,000 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	0
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	5
Leveraging	10	10	10
Community Revitalization Area	15	15	15
Site Amenities	10	10	7.5
Service Amenities	10	10	0
Sustainable Building Methods	8	8	3
New Construction	10	10	10
Negative Points	NA	NA	0
Total Points	128	108	90.5

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.