

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 Richard Fischer .

Applicant: California Housing Finance Agency

Allocation Amount Requested: Tax-exempt \$1,945,000

Project Name: **La Loma Apartments**
Project Address: 2088 West La Loma
Project City, County, Zip Code: Rancho Cordova, Sacramento 95670

Project Sponsor Information:
Name: RL Affordable, L.P. (RL AGP, L.P. [Bentall Residential L.P.]and Las Palmas Foundation)
Principals: Kenneth 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: August 13, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 33, 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% (10 units) restricted to 50% or less of area median income households; and
70% (23 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:	\$3,449,021
Estimated Hard Costs per Unit:	\$ 104,516 (\$1,162,868/33 units)
Estimated per Unit Cost:	\$ 35,238 (\$3,449,021/33 units)
Allocation per Unit:	\$ 58,939 (\$1,945,000/33 units)
Allocation per Restricted Rental Unit:	\$ 58,939 (\$1,945,000/33 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$1,905,000	\$1,945,000
Deferred Developer Fee	\$ 121,997	\$ 305,271
LIH Tax Credit Equity	\$ 905,445	\$1,006,050
Income From Operations	\$ 97,000	\$ 97,000
Other (Purchase Reserves)	<u>\$ 95,700</u>	<u>\$ 95,700</u>
Total Sources	\$3,125,142	\$3,449,021

Uses of Funds:	
Acquisition Cost	\$1,472,850
Hard Construction Costs	\$1,162,868
Architect & Engineering Fees	\$ 22,050
Contractor Overhead & Profit	\$ 67,974
Developer Fee	\$ 368,089
Relocation	\$ 27,000
Reserves	\$ 138,008
Other Soft Costs (Marketing, etc.)	<u>\$ 190,182</u>
Total Uses	\$3,449,021

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: 73 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$1,945,000 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	0
Leveraging	10	10	0
Community Revitalization Area	15	15	15
Site Amenities	10	10	5
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	73

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.