

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 5, 2007
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Richard Fischer.

Applicant: Housing Authority of the City of Sacramento

Allocation Amount Requested: Tax-exempt \$3,540,000

Project Name: Rio Linda Manor

Project Address: 2671 Rio Linda Boulevard
Project City, County, Zip Code: Sacramento, Sacramento, 95815

The proposed Project is located in a Community Revitalization Area, more specifically in North Sacramento Redevelopment Project Area.

Project Sponsor Information:

Name: HPD Rio Linda LLC (Highland Property Development, LLC)
Principals: Gary P. Downs, Kristoffer J. Kaufmann, William E. Rice and Douglas B. Day

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not applicable
Private Placement Purchaser: Washington Mutual Bank
TEFRA Hearing: September 25, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 65, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Senior

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
20% (13 units) restricted to 50% or less of area median income households; and
80% (52 units) restricted to 60% or less of area median income households.
Unit Mix: 1-bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$7,073,686
Estimated Hard Costs per Unit:	\$ 27,993 (\$1,819,531/65 units)
Estimated per Unit Cost:	\$ 108,826 (\$7,073,686/65 units)
Allocation per Unit:	\$ 54,462 (\$3,540,000/65 units)
Allocation per Restricted Rental Unit:	\$ 54,462 (\$3,540,000/65 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$3,540,000	\$2,340,000
Developer Equity	\$ 0	\$ 639,229
LIH Tax Credit Equity	\$1,147,229	\$2,294,457
Direct & Indirect Public Funds	<u>\$1,620,000</u>	<u>\$1,800,000</u>
Total Sources	\$6,307,229	\$7,073,686

Uses of Funds:	
Acquisition Cost	\$3,404,500
On-Site & Off-Site Costs	\$ 363,725
Hard Construction Costs	\$1,455,806
Architect & Engineering Fees	\$ 40,000
Contractor Overhead & Profit	\$ 218,849
Developer Fee	\$ 767,360
Cost of Issuance	\$ 78,446
Capitalized Interest	\$ 13,125
Other Soft Costs(Marketing, etc.)	<u>\$ 731,875</u>
Total Uses	\$7,073,686

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: 75 out of 128
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$3,540,000 in tax-exempt bond allocation on a carryforward basis.

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	30
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	10
Community Revitalization Area	15	15	15
Site Amenities	10	10	5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	NA
Total Points	128	108	75

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.