

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 Crystal Alvarez.

Applicant: California Statewide Community Development Authority

Allocation Amount Requested: Tax-exempt \$30,000,000

Project Name: Heritage Park Apartments
Project Address: 1098 Woodcreek Oaks
Project City, County, Zip Code: Roseville, Placer, 95747

Project Sponsor Information:
Name: Heritage Roseville, L.P. (Pacific Housing Inc., a
California Nonprofit Corporation, and Anton Heritage,
LLC
Principals: a California Limited Liability Company
Mark A. Weise, Steven L. Eggert, Peter Geremia

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: MMA Financial/ Freddie Mac
Credit Enhancement Provider: MMA Financial/ Freddi Mac
Private Placement Purchaser: Not Applicable
TEFRA Hearing: October 17, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 325, plus 3 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
20% (66 units) restricted to 50% or less of area median income households; and
80% (259 units) restricted to 60% or less of area median income households.
Unit Mix: 2, 3, and 4 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$47,095,095
Estimated Hard Costs per Unit:	\$ 22,427 (\$7,288,711/325 units)
Estimated per Unit Cost:	\$ 144,907 (\$47,095,095/325 units)
Allocation per Unit:	\$ 92,308 (\$30,000,000/325 units)
Allocation per Restricted Rental Unit:	\$ 92,308 (\$30,000,000/325 restricted units)

[The Project has total project costs that appear high for the geographic area in which it is located. According to the Project Sponsor, the high cost is due to (state reasons).]

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$30,000,000	\$28,030,000
LIH Tax Credit Equity	\$11,212,536	\$14,776,978
Other	<u>\$ 3,477,559</u>	<u>\$ 4,288,117</u>
Total Sources	\$44,690,095	\$47,095,095

Uses of Funds:	
Land Purchase	\$30,500,000
Hard Construction Costs	\$ 7,288,711
Architect & Engineering Fees	\$ 22,500
Contractor Overhead & Profit	\$ 609,424
Developer Fee	\$ 2,500,000
Relocation	\$ 225,000
Cost of Issuance	\$ 787,250
Capitalized Interest	\$ 3,273,000
Other Soft Costs	<u>\$ 1,889,210</u>
Total Uses	\$47,095,095

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: 62.7 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$30,000,000 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	0
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]	5.2
Large Family Units	5	5	5
Leveraging	10	10	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	128	108	62.7

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.