

**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 Brady Hill .*

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**Applicant:** California Statewide Communities Development Authority

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**Allocation Amount Requested:** Tax-exempt \$13,840,000

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**Project Name:** **Montego Falls Apartments**  
**Project Address:** Bruceville Road (South of Terazzo Drive)  
**Project City, County, Zip Code:** Elk Grove, Sacramento, 95758

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**Project Sponsor Information:**  
**Name:** Montego Elk Grove, L.P.  
(Pacific Housing, Inc. and Anton Montego, LLC)  
**Principals:** Mark A. Weise and Bryan Alexander for Pacific  
Housing, Inc.; Steven L. Eggert and Peter Geremia for  
Anton Montego, LLC

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**Project Financing Information:**  
**Bond Counsel:** Jones Hall, A Professional Law Corporation  
**Underwriter:** Not applicable  
**Credit Enhancement Provider:** Not applicable  
**Private Placement Purchaser:** Union Bank of California, N.A.  
**TEFRA Hearing:** August 22, 2007

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 131, plus 1 manager unit  
**Type:** New Construction  
**Type of Units:** Family

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project: 100%**  
20% (26 units) restricted to 50% or less of area median income households; and  
80% (105 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2 and 3 bedrooms

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**Term of Restrictions:** 55 years

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<b>Estimated Total Development Cost:</b>	\$26,836,296
<b>Estimated Hard Costs per Unit:</b>	\$ 89,846 (\$11,769,842/131 units)
<b>Estimated per Unit Cost:</b>	\$ 204,857 (\$26,836,296/131 units)
<b>Allocation per Unit:</b>	\$ 104,649 (\$13,840,000/131 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 104,649 (\$13,840,000/131 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$13,840,000	\$10,190,000
Deferred Developer Fee	\$ 0	\$ 1,391,843
LIH Tax Credit Equity	\$ 5,265,068	\$ 9,928,225
Direct & Indirect Public Funds	\$ 4,150,000	\$ 4,150,000
Other (County Fee Waivers and NOI)	<u>\$ 1,176,228</u>	<u>\$ 1,176,228</u>
Total Sources	\$24,431,296	\$26,836,296

<b>Uses of Funds:</b>	
Land Purchase	\$ 2,700,000
Hard Construction Costs	\$11,769,842
Architect & Engineering Fees	\$ 303,975
Contractor Overhead & Profit	\$ 1,079,802
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 221,870
Capitalized Interest	\$ 1,411,203
Other Soft Costs	<u>\$ 6,849,604</u>
Total Uses	\$26,836,296

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**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.

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**Total Points:** 75.7 out of 128

[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$13,840,000 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]	3.2
Large Family Units	5	5	0
Leveraging	10	10	10
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	10
Negative Points	NA	NA	NA
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>75.7</b>

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.