

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 23, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Sarah Lester.

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$24,000,000

Project Name: **Acacia Meadows Apartments**
Project Address: South of Florida Ave., West of Sanderson Ave. &
Acacia Ave. Intersection
Project City, County, Zip Code: Hemet, Riverside, 92544

Project Sponsor Information:
Name: Preservation Acacia, LP (Preservation Acacia, LLC)
Principals: Jim Perley, Alex Tucciarone, Anthony R. Cesare,
Ron Hirji, and Ivano Stamebna

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Agent: Citicorp Municipal Mortgage, Inc.
TEFRA Hearing: December 11, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 238, plus 2 manager units
Type: New Construction
Type of Units: Senior

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
10% (24 units) restricted to 50% or less of area median income households; and
90% (214 units) restricted to 60% or less of area median income households.
Unit Mix: 1 and 2 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$32,397,428
Estimated Hard Costs per Unit:	\$ 73,836 (\$17,573,048/238 units)
Estimated per Unit Cost:	\$ 136,124 (\$32,397,428/238 units)
Allocation per Unit:	\$ 100,840 (\$24,000,000/238 units)
Allocation per Restricted Rental Unit:	\$ 100,840 (\$24,000,000/238 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$24,000,000	\$14,500,000
Developer Equity	\$ 0	\$ 911,654
LIH Tax Credit Equity	\$ 0	\$ 8,588,346
Seller Carryback Note	\$ 4,800,000	\$ 4,800,000
Deferred Contractor Fee	\$ 1,097,428	\$ 1,097,428
Deferred Developer Fee	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>
Total Sources	\$32,397,428	\$32,397,428

Uses of Funds:	
Land Purchase	\$ 4,800,000
Hard Construction Costs	\$17,573,048
Architect & Engineering Fees	\$ 134,000
Contractor Overhead & Profit	\$ 1,232,430
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 520,000
Capitalized Interest	\$ 1,500,000
Other Soft Costs (Marketing, etc.)	<u>\$ 4,137,950</u>
Total Uses	\$32,397,428

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: 67.2 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$24,000,000 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	25
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]	6.7
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	2.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	8
New Construction	10	10	10
Negative Points	NA	NA	0
Total Points	128	108	67.2

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.