

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 26, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Crystal Alvarez.

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$3,545,550

Project Name: Terracina Apartments
Project Address: 1825 South Santa Fe Avenue
Project City, County, Zip Code: San Jacinto, Riverside, 92583

Project Sponsor Information:
Name: LINC Housing Corporation
Principals: Hunter Johnson, Suny Lay Chang, Nina Dooley and
Karen Maeshima

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Bank of America, N.A.
TEFRA Hearing: February 21, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 54, 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%
31% (17 units) restricted to 50% or less of area median income households; and
69% (37 units) restricted to 60% or less of area median income households.
Unit Mix: 2 and 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$6,982,980
Estimated Hard Costs per Unit:	\$ 25,433 (\$1,373,392/54 units)
Estimated per Unit Cost:	\$ 129,314 (\$6,982,980/54 units)
Allocation per Unit:	\$ 65,658 (\$3,545,550/54 units)
Allocation per Restricted Rental Unit:	\$ 65,658 (\$3,545,550/54 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$3,545,550	\$1,211,000
Developer Equity	\$ 202,954	\$ 347,195
LIH Tax Credit Equity	\$ 661,571	\$2,101,880
Direct & Indirect Public Funds	\$ 840,000	\$1,590,000
RHCP Assumption	<u>\$1,732,905</u>	<u>\$1,732,905</u>
Total Sources	\$6,982,980	\$6,982,980

Uses of Funds:	
Land Purchase	\$3,850,000
On-Site & Off-Site Costs	\$ 148,000
Hard Construction Costs	\$1,225,392
Architect & Engineering Fees	\$ 80,505
Contractor Overhead & Profit	\$ 156,635
Developer Fee	\$ 850,165
Relocation	\$ 60,000
Cost of Issuance	\$ 176,255
Capitalized Interest	\$ 51,985
Other Soft Costs	<u>\$ 384,043</u>
Total Uses	\$6,982,980

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: 72 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$3,545,550 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]	10
Large Family Units	5	5	5
Leveraging	10	10	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	5
Sustainable Building Methods	8	8	7
New Construction	10	10	0
Negative Points	NA	NA	NA
Total Points	128	108	72

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.