

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 28, 2008
Staff Report
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT***

Prepared by Brady Hill.

Applicant: Loma Linda Redevelopment Agency

Allocation Amount Requested: Tax-exempt \$9,000,000

Project Name: **Poplar Street Apartments**
Project Address: 10777 Poplar Street
Project City, County, Zip Code: Loma Linda, San Bernardino, 92354

The proposed Project is located in a Community Revitalization area, more specifically in the Loma Linda Redevelopment Project Area.

Project Sponsor Information:
Name: 10777 Poplar St., L.P.
(Corporation for Better Housing and Kavigem, Inc.)
Principals: John Eleftheriou and David Sclafani for Corporation for Better Housing; Charles Brumbaugh for Kavigem, Inc.

Project Financing Information:
Bond Counsel: Stradling, Yocca, Carlson & Rauth
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Alliant Mortgage Company, LLC
TEFRA Hearing: March 11, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 43, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
79% (34 units) restricted to 50% or less of area median income households; and
21% (9 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3 and 4 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$14,288,913
Estimated Hard Costs per Unit:	\$ 228,469 (\$9,824,159/43 units)
Estimated per Unit Cost:	\$ 332,300 (\$14,288,913/43 units)
Allocation per Unit:	\$ 209,302 (\$9,000,000/43 units)
Allocation per Restricted Rental Unit:	\$ 209,302 (\$9,000,000/43 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 9,000,000	\$ 1,140,000
Developer Equity	\$ 0	\$ 104,152
LIH Tax Credit Equity	\$ 853,998	\$ 5,803,918
Direct & Indirect Public Funds	<u>\$ 4,000,000</u>	<u>\$ 7,240,843</u>
Total Sources	\$13,853,998	\$14,288,913

Uses of Funds:	
On-Site & Off-Site Costs	\$ 658,421
Hard Construction Costs	\$ 9,165,738
Architect & Engineering Fees	\$ 550,000
Contractor Overhead & Profit	\$ 518,425
Developer Fee	\$ 809,000
Cost of Issuance	\$ 272,928
Other Soft Costs	<u>\$ 2,314,401</u>
Total Uses	\$14,288,913

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: 105.5 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$9,000,000 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	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	10
Community Revitalization Area	15	15	15
Site Amenities	10	10	2.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	3
New Construction	10	10	10
Negative Points	NA	NA	0
Total Points	128	108	105.5

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.