

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 Sarah Lester.

Applicant: California Municipal Finance Authority

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

Project Name: **Rancho Workforce Apartments**
Project Address: Foothill Boulevard and Center Avenue
Project City, County, Zip Code: Rancho Cucamonga, San Bernardino, 91730

Project Sponsor Information:
Name: Rancho Workforce Housing Partners, LP (Southern California Housing Development Corporation of the Inland Empire and WF Fund III, LLC)
Principals: Rebecca F. Clark, D. Anthony Mize, Tracy Thomas and Rick Whittingham

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Washington Mutual Bank, F.A.
TEFRA Hearing: March 5, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 164, plus 2 manager units
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 80%
40% (66 units) restricted to 50% or less of area median income households; and
40% (40 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:	\$45,663,320
Estimated Hard Costs per Unit:	\$ 170,945 (\$28,034,917/164 units)
Estimated per Unit Cost:	\$ 278,435 (\$45,663,320/164 units)
Allocation per Unit:	\$ 146,342 (\$24,000,000/164 units)
Allocation per Restricted Rental Unit:	\$ 183,206 (\$24,000,000/131 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$24,000,000	\$ 9,610,860
Developer Equity	\$ 0	\$ 500,000
LIH Tax Credit Equity	\$ 3,993,730	\$ 7,987,460
Direct & Indirect Public Funds	<u>\$15,661,992</u>	<u>\$27,565,000</u>
Total Sources	\$43,655,722	\$45,663,320

Uses of Funds:	
Land Purchase	\$ 8,844,000
On-Site & Off-Site Costs	\$ 4,949,547
Hard Construction Costs	\$23,085,370
Architect & Engineering Fees	\$ 1,400,000
Contractor Overhead & Profit	\$ 1,217,734
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 232,800
Capitalized Interest	\$ 1,370,000
Other Soft Costs	<u>\$ 2,063,869</u>
Total Uses	\$45,663,320

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: 96 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	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	0
Site Amenities	10	10	5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	6
New Construction	10	10	10
Negative Points	NA	NA	0
Total Points	128	108	96

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.