

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 Richard C. Fischer .

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$12,000,000

Project Name: **Lamont Family Apartments**
Project Address: 7200 Di Giorgio Road
Project City, County, Zip Code: Lamont, Kern, 93241

Project Sponsor Information:

Name: 7200 DiGiorgio Rd., L.P. (Corporation for Better Housing)
Principals: John Eleftheriou and David Sclafani

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Alliant Mortgage Company, LLC
TEFRA Hearing: April 22, 2008

Description of Proposed Project:

State Ceiling Pool: Rural
Total Number of Units: 63, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (63 units) restricted to 50% or less of area median income households.
Unit Mix: 2- and 3-bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$15,728,711
Estimated Hard Costs per Unit:	\$ 149,321 (\$9,407,223/63 units)
Estimated per Unit Cost:	\$ 249,662 (\$15,728,711/63 units)
Allocation per Unit:	\$ 190,476 (\$12,000,000/63 units)
Allocation per Restricted Rental Unit:	\$ 190,476 (\$12,000,000/63 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$12,000,000	\$ 1,586,000
Developer Equity	\$ 0	\$ 57,997
LIH Tax Credit Equity	\$ 1,051,206	\$ 5,942,374
Direct & Indirect Public Funds	<u>\$ 2,079,000</u>	<u>\$ 8,142,340</u>
Total Sources	\$15,130,206	\$15,728,711

Uses of Funds:	
Land Purchase	\$ 300,000
On-Site & Off-Site Costs	\$ 631,481
Hard Construction Costs	\$ 9,344,075
Architect & Engineering Fees	\$ 449,000
Contractor Overhead & Profit	\$ 554,198
Developer Fee	\$ 919,000
Cost of Issuance	\$ 339,500
Other Soft Costs	<u>\$ 3,191,457</u>
Total Uses	\$15,728,711

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: 86.7 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$12,000,000 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]	6.2
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
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	NA
Total Points	128	108	86.7

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.