

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**July 16, 2008**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by John Weir*

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**Applicant:** Housing Authority for the county of Sacramento

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**Allocation Amount Requested:** Tax-exempt \$9,430,712

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**Project Name:** **Summerset Apartments**  
**Project Address:** 6267 Martin Luther King Boulevard  
**Project City, County, Zip Code:** Sacramento, Sacramento, 95838

The proposed project is located in a Community Revitalized area, more specifically the Franklin Boulevard Redevelopment Area.

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**Project Sponsor Information:**

**Name:** Summerset Apartment Investors, L.P. (InnerCity Housing Corporation and Community Revitalization and Development Corporation)  
**Principals:** Sam Walton, for InnerCity Housing and David Rutledge, for Revitalization & Dev. Corp.

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**Project Financing Information:**

**Bond Counsel:** Jones Hall, A Professional Corporation  
**Underwriter:** Washington Mutual Bank  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Washington Mutual Bank  
**TEFRA Hearing:** May 13, 2008

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 119, plus 1 manager unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Family

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**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project: 100%**  
21% (25 units) restricted to 50% or less of area median income households; and  
79% (94 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1 and 2 bedrooms

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**Term of Restrictions:** 55 years

<b>Estimated Hard Costs per Unit:</b>	\$28,777 ( \$3,424,409 / 119 units)
<b>Estimated per Unit Cost:</b>	\$149,167 ( \$17,750,859 / 119 units)
<b>Allocation per Unit:</b>	\$79,250 ( \$9,430,712 / 119 units)
<b>Allocation per Restricted Rental Unit:</b>	\$79,250 ( \$9,430,712 / 119 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$9,430,712	\$7,258,578
Deferred Developer Fee	\$2,034,475	\$842,859
LIH Tax Credit Equity	\$2,244,672	\$5,608,422
NOI	\$650,000	\$650,000
Direct & Indirect Public Funds	<u>\$3,391,000</u>	<u>\$3,391,000</u>
Total Sources	\$17,750,859	\$17,750,859

<b>Uses of Funds:</b>	
Acquisition Cost	\$9,600,000
Hard Construction Costs	\$3,424,410
Architect & Engineering Fees	\$71,000
Contractor Overhead & Profit	\$342,442
Developer Fee	\$2,034,475
Relocation	\$700,000
Cost of Issuance	\$246,500
Capitalized Interest	\$325,500
Other Soft Costs	<u>\$1,006,532</u>
Total Uses	\$17,750,859

**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:** 90.5 out of 138

[See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$9,430,712 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	30.5
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	0
Exceeding Minimum Term of Restrictions	10	10	10
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	15
Site Amenities	10	10	10
Service Amenities	10	10	10
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	0
<b>Total Points</b>	<b>138</b>	<b>118</b>	<b>90.5</b>

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.