

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 24, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Crystal Alvarez

Applicant: California Housing Finance Agency

Allocation Amount Requested: **Tax-exempt:** \$8,850,000

Project Information:

Name: Rochdale Grange Community Apartments
Project Address: Southwest Corner of Heritage Parkway and Parkland Avenue
Project City, County, Zip Code: Woodland, Yolo 95776

Project Sponsor Information:

Name: Rochdale Grange, L P. (Neighborhood Partners, LLC and New Hope Community Development Corporation)
Principals: Luke Watkins, David J. Thompson, Michael McGowan, Helen Thompson, and Lisa Baker

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Merrill Lynch & Co., Inc.
Credit Enhancement Provider: California Housing Finance Agency
Private Placement Purchaser: N/A
TEFRA Hearing: August 14, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 43, plus 1 manager's unit
Type: New Construction
Type of Units: Family/Special Needs

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (43 units) restricted to 50% or less of area median income households.
Unit Mix: 1, 2 and 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$16,133,621	
Estimated Hard Costs per Unit:	\$189,347	(\$8,141,915 / 43 units)
Estimated per Unit Cost:	\$375,200	(\$16,133,621 / 43 units)
Allocation per Unit:	\$205,814	(\$8,850,000 / 43 units)
Allocation per Restricted Rental Unit:	\$205,814	(\$8,850,000 / 43 units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 8,850,000	\$ 725,000
HCD Home Program	\$ 4,000,000	\$ 4,000,000
Deferred Developer Fee	\$ 0	\$ 686,845
AHP	\$ 396,000	\$ 396,000
National Equity Fund	\$ 492,621	\$ 6,155,149
Land Value	\$ 1,220,000	\$ 1,220,000
Multifamily Housing Program	\$ 0	\$ 2,950,627
Total Sources	\$ 14,958,621	\$ 16,133,621

Uses of Funds:	
Acquisition Costs	\$ 1,220,000
New Construction Costs	\$ 9,066,915
Architectural	\$ 400,000
Survey & Engineering	\$ 81,000
Contingency Costs	\$ 734,684
Construction Period Expenses	\$ 819,700
Permanent Financing Expenses	\$ 51,345
Legal Fees	\$ 110,000
Capitalized Reserves	\$ 100,000
Reports & Studies	\$ 40,000
Other	\$ 2,309,977
Development Costs	\$ 1,200,000
Total Uses	\$ 16,133,621

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: 102.5 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$8,850,000 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
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	10
Exceeding Minimum Term of Restrictions	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
Total Points	128	108	102.5

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.