

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 3, 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 ORIGINALLY RECEIVED ALLOCATION ON SEPTEMBER 24, 2008. APPLICANT
REQUESTED AWARD BE DEFERRED TO DECEMBER 3 ALLOCATION MEETING.**

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: | Construction | Permanent |
|-----------------------------|---------------|---------------|
| 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.