

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 28, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Crystal Alvarez

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:

Tax-exempt: \$12,400,000

Project Information:

Name: Regency Towers Apartments
Project Address: 151 North Locust Street
Project City, County, Zip Code: Inglewood, Los Angeles, 90301

Project Sponsor Information:

Name: Regency Towers Housing Partners, L.P. (The Amerland/ Regency Towers, LLC and Islas Development, LLC)
Principals: Ruben Islas

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Hutchinson, Shockley, Erley & Company
Credit Enhancement Provider: PNC ARC, LLC / Fannie Mae
TEFRA Hearing: October 28, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 103, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family/Federally Assisted At-Risk

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
11% (11 units) restricted to 50% or less of area median income households.
89% (92 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions:

Income and Rent Restrictions: 55 years

Estimated Total Development Cost:	\$	17,970,483	
Estimated Hard Costs per Unit:	\$	22,476	(\$2,315,000 /103 units)
Estimated per Unit Cost:	\$	174,471	(\$17,970,483 /103 units)
Allocation per Unit:	\$	120,388	(\$12,400,000 /103 units)
Allocation per Restricted Rental Unit:	\$	120,388	(\$12,400,000 /103 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 12,400,000	\$ 8,110,000
Deferred Developer Fee	\$ 2,236,643	\$ 1,055,919
LIH Tax Credit Equity	\$ 3,333,840	\$ 5,804,564
Direct & Indirect Public Funds	\$ 0	\$ 3,000,000
Total Sources	\$ 17,970,483	\$ 17,970,483

Uses of Funds:	
Acquisition Costs	\$ 12,000,000
Hard Construction Costs	\$ 2,315,000
Architect & Engineering Fees	\$ 100,000
Contractor Overhead & Profit	\$ 185,000
Developer Fee	\$ 2,236,643
Relocation	\$ 200,000
Cost of Issuance	\$ 366,200
Other Soft Costs	\$ 567,640
Total Uses	\$ 17,970,483

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: 77.5 out of 138
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$12,400,000 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	20
Exceeding Minimum Income Restrictions:	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]	0
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	0
Exceeding Minimum Term Restrictions	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction	10	10	0
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
Total Points	138	118	77.5

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.