

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 25, 2009
Staff Report
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: John Weir

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:

Tax-exempt: \$7,700,000

Project Information:

Name: Golden Age Garden Apartments
Project Address: 740 South 36th Street
Project City, County, Zip Code: San Diego, San Diego, 92113

Project Sponsor Information:

Name: Golden Age Garden Housing Partners, LP (Amerland/Golden Age, LLC, Islas Development, LLC and Pacific Housing, Inc.)
Principals: Ruben Islas, Casey Haeling, Jules L.C. Arthur and Michele R. Arthur for Amerland/Golden Age, LLC, and Mark Wiese for Pacific Housing, Inc.

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Hutchinson, Shockey, Erley & Company
Credit Enhancement Provider: PNC Bank, N.A./Fannie Mae
Private Placement Purchaser: Not Applicable
TEFRA Hearing: December 15, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 75, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Senior Citizens/Federally Assisted At-Risk

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
31% (23 units) restricted to 50% or less of area median income households.
69% (52 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:	\$	13,777,366	
Estimated Hard Costs per Unit:	\$	25,200	(\$1,890,006 /75 units)
Estimated per Unit Cost:	\$	183,698	(\$13,777,366 /75 units)
Allocation per Unit:	\$	102,667	(\$7,700,000 /75 units)
Allocation per Restricted Rental Unit:	\$	102,667	(\$7,700,000 /75 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 7,700,000	\$ 5,400,000
Deferred Developer Fee	\$ 1,300,000	\$ 554,586
LIH Tax Credit Equity	\$ 1,115,366	\$ 4,160,780
Direct & Indirect Public Funds	\$ 3,662,000	\$ 3,662,000
Total Sources	\$ 13,777,366	\$ 13,777,366

Uses of Funds:	
Acquisition Costs	\$ 8,600,000
On & Off Site Costs	\$ 277,436
Hard Construction Costs	\$ 1,612,570
Architect & Engineering Fees	\$ 35,000
Contractor Overhead & Profit	\$ 162,491
Developer Fee	\$ 1,300,000
Relocation	\$ 100,000
Cost of Issuance	\$ 97,850
Other Soft Costs	\$ 1,592,019
Total Uses	\$ 13,777,366

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 128
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$7,700,000 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
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
Total Points	128	108	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.