

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: Housing Authority of the County of Sacramento

Allocation Amount Requested:
Tax-exempt: \$15,926,794

Project Information:
Name: Old Foothill Farms Apartments
Project Address: 5400 Auburn Boulevard
Project City, County, Zip Code: Sacramento, Sacramento, 95841

Project Sponsor Information:
Name: Old Foothill Farms Associates, a California Limited Partnership
(Sagacious Investments, LLC & Community Revitalization and
Development Corporation)
Principals: Daniel Benvenuti, Jr. and Timothy Lee for Sagacious Investments,
LLC and David Rutledge for Community Revitalization and
Development Corporation

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Citi Community Capital
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citigroup Global Markets Inc.
TEFRA Hearing: December 9, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 165, plus 1 manager unit
Type: New Construction
Type of Units: Senior Citizens

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
20% (33 units) restricted to 50% or less of area median income households.
80% (132 units) restricted to 60% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Estimated Total Development Cost:	\$ 25,656,428	
Estimated Hard Costs per Unit:	\$ 76,782	(\$12,669,000 /165 units)
Estimated per Unit Cost:	\$ 155,494	(\$25,656,428 /165 units)
Allocation per Unit:	\$ 96,526	(\$15,926,794 /165 units)
Allocation per Restricted Rental Unit:	\$ 96,526	(\$15,926,794 /165 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 15,926,794	\$ 10,279,734
Deferred Developer Fee	\$ 2,500,000	\$ 1,868,523
LIH Tax Credit Equity	\$ 1,569,634	\$ 7,848,171
Direct & Indirect Public Funds	\$ 5,660,000	\$ 5,660,000
Total Sources	\$ 25,656,428	\$ 25,656,428

Uses of Funds:	
Land Purchase	\$ 4,000,000
On & Off Site Costs	\$ 1,287,000
Hard Construction Costs	\$ 11,382,000
Architect & Engineering Fees	\$ 325,000
Contractor Overhead & Profit	\$ 1,013,520
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 331,500
Capitalized Interest	\$ 650,000
Other Soft Costs	\$ 4,167,408
Total Uses	\$ 25,656,428

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: 73 out of 118

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$15,926,794 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:	35	15	30
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	7.5
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	10
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	118	98	73

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.