

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 16, 2009
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Crystal Alvarez

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$13,000,000

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

Project Sponsor Information:
Name: Regency Towers Senior Housing, L.P. (Housing Corporation of America and Regency Towers Senior Housing, LLC)
Principals: Carol Cromar, Ronald Olson and Thomas L. Safran

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citigroup Global Markets Inc.
TEFRA Hearing Date: September 29, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 103, 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%
20% (21 units) restricted to 50% or less of area median income households.
80% (82 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 22,207,981	
Estimated Hard Costs per Unit:	\$ 51,015	(\$5,254,583 /103 units)
Estimated per Unit Cost:	\$ 215,611	(\$22,207,981 /103 units)
Allocation per Unit:	\$ 126,214	(\$13,000,000 /103 units)
Allocation per Restricted Rental Unit:	\$ 126,214	(\$13,000,000 /103 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 13,000,000	\$ 9,237,500
Deferred Equity (Deferred Fee)	\$ 1,507,457	\$ 1,127,216
LIH Tax Credit Equity	\$ 1,277,635	\$ 5,678,377
Direct & Indirect Public Funds	\$ 5,592,000	\$ 5,592,000
NOI During Construction	\$ 572,888	\$ 572,888
Total Sources	\$ 21,949,980	\$ 22,207,981

Uses of Funds:	
Acquisition Costs	\$ 12,000,000
On & Off Site Costs	\$
Hard Construction Costs	\$ 5,254,583
Architect & Engineering Fees	\$ 155,000
Contractor Overhead & Profit	\$ 94,848
Developer Fee	\$ 2,500,000
Relocation	\$ 41,600
Cost of Issuance	\$ 68,000
Capitalized Interest	\$ 715,000
Other Soft Costs (Marketing)	\$ 1,378,950
Total Uses	\$ 22,207,981

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: 83 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$13,000,000 in tax exempt bond allocation on a carryforward basis.

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	30
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	5
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	128	108	83

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.