

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

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**Applicant:** California Statewide Communities Development Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$23,000,000

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**Project Information:**  
**Name:** Palmdale Transit Village Apartments  
**Project Address:** 365/405 Q Street  
**Project City, County, Zip Code:** Palmdale, Los Angeles, 93550

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**Project Sponsor Information:**  
**Name:** Palmdale TOD Apartments, L.P. (Better Housing Solutions, Inc. and PRG Palmdale, GP LLC)  
**Principals:** Adrian Almeida, Hector Garcia, Keith Rosenthal, Micahel Fried and Ron Orgel

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Nara Bank  
**TEFRA Hearing Date:** November 4, 2009

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 154, plus 2 manager units  
**Type:** New Construction  
**Type of Units:** Family

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project:** 100%  
11% (17 units) restricted to 50% or less of area median income households.  
89% (137 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2 & 3 bedrooms

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**Term of Restrictions:**  
**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 47,021,180	
<b>Estimated Hard Costs per Unit:</b>	\$ 154,303	(\$23,762,586 /154 units)
<b>Estimated per Unit Cost:</b>	\$ 305,332	(\$47,021,180 /154 units)
<b>Allocation per Unit:</b>	\$ 149,351	(\$23,000,000 /154 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 149,351	(\$23,000,000 /154 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 23,000,000	\$ 14,497,000
Deferred Developer Fee	\$ 0	\$ 2,184,473
LIH Tax Credit Equity	\$ 6,102,996	\$ 15,462,107
Direct & Indirect Public Funds	\$ 14,877,600	\$ 14,877,600
Total Sources	\$ 43,980,596	\$ 47,021,180

<b>Uses of Funds:</b>	
Acquisition Costs	\$ 3,900,000
New Construction Costs	\$ 31,176,102
Relocation	\$
Architectural	\$ 514,800
Survey & Engineering	\$ 315,600
Contingency Costs	\$ 1,658,805
Construction Period Expenses	\$ 1,810,000
Permanent Financing Expenses	\$ 144,970
Legal Fees	\$ 220,000
Capitalized Reserves	\$ 395,295
Reports & Studies	\$ 35,000
Other (Marketing, etc)	\$ 4,350,608
Developer Costs	\$ 2,500,000
Total Uses	\$ 47,021,180

**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 118  
[See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$23,000,000 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	0
Exceeding Minimum Income Restrictions:	35	15	25
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	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
<b>Total Points</b>	<b>118</b>	<b>98</b>	<b>83</b>

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.