

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 27, 2010
Staff Report
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: Richard Fischer

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$11,000,000

Project Information:
Name: Garvey Court Apartments
Project Address: 10117-10127 Garvey Avenue
Project City, County, Zip Code: El Monte, Los Angeles, 91733

Project Sponsor Information:
Name: Garvey Senior Affordable Partners, L.P. (Affordable Housing CDC, Inc. and Domus LA, LLC)
Principals: Jason Hobson, Meea Kang, Jong Limb, Monique Hastings and Joseph A. Stalzer

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: US Bank N.A.
TEFRA Hearing Date: December 1, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 67, 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%
100% (67 units) restricted to 50% 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:	\$	21,413,511	
Estimated Hard Costs per Unit:	\$	146,710	(\$9,829,578 /67 units)
Estimated per Unit Cost:	\$	319,605	(\$21,413,511 /67 units)
Allocation per Unit:	\$	164,179	(\$11,000,000 /67 units)
Allocation per Restricted Rental Unit:	\$	164,179	(\$11,000,000 /67 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 11,000,000	\$ 2,600,000
Deferred Costs	\$ 1,403,511	\$ 0
Deferred Developer Fee	\$ 0	\$ 1,036,645
LIH Tax Credit Equity	\$ 50,000	\$ 5,816,866
Direct & Indirect Public Funds	\$ 7,000,000	\$ 10,000,000
East West Bank Land Gift and Deferred Payment	\$ 1,960,000	\$ 1,960,000
Total Sources	\$ 21,413,511	\$ 21,413,511

Uses of Funds:	
Acquisition Costs	\$ 3,400,001
New Construction Costs	\$ 11,203,220
Architectural	\$ 376,000
Survey & Engineering	\$ 84,000
Contingency Costs	\$ 1,220,322
Construction Period Expenses	\$ 884,150
Permanent Financing Expenses	\$ 125,160
Legal Fees	\$ 82,447
Capitalized Reserves	\$ 235,442
Reports & Studies	\$ 61,000
Other (Marketing, Fees..etc)	\$ 1,432,397
Developer Costs	\$ 2,309,372
Total Uses	\$ 21,413,511

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: 75.5 out of 118

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$11,000,000 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	0
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]	10
Gross Rents	5	5	0
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	118	98	75.5

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.