THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 26, 2010
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: John Weir

Applicant: California Housing Finance Agency

Allocation Amount Requested:

      Tax-exempt: $5,744,900

Project Information:

                  Name: **Meadowview II Apartments**
        Project Address: 150 East Neuvo Road
Project City, County, Zip Code: Perris, Riverside, 92571

Project Sponsor Information:

                  Name: LMV II Affordable, L.P. (AHCDC Lake Meadow LLC and LMV II AGP, L.P.)

           Principals: Joseph A. Stalzer, James Nardini, David C. Nahas, Gary Carpenter, and Ken Reiner.

Project Financing Information:

            Bond Counsel: Orrick, Herrington & Sutcliffe LLP
           Underwriter: Not Applicable
Credit Enhancement Provider: Prudential Affordable Mortgage Company/Freddie Mac
Private Placement Purchaser: Not Applicable
    TEFRA Hearing Date: March 12, 2010

Description of Proposed Project:

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

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
   79% (59 units) restricted to 50% or less of area median income households.
   21% (16 units) restricted to 60% or less of area median income households.
         Unit Mix: 1, 2 & 3 bedrooms

Term of Restrictions:

    Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	$	8,433,919	
Estimated Hard Costs per Unit:	$	24,156	($1,811,689 /75 units)
Estimated per Unit Cost:	$	112,452	($8,433,919 /75 units)
Allocation per Unit:	$	76,599	($5,744,900 /75 units)
Allocation per Restricted Rental Unit:	$	76,599	($5,744,900 /75 restricted units)

Sources of Funds:		Construction		Permanent
Tax-Exempt Bond Proceeds	$	5,744,900	$	5,744,900
Deferred Developer Fee	$	214,040	$	517,441
LIH Tax Credit Equity	$	1,475,650	$	1,844,562
Other	$	0	$	327,016
Total Sources	$	7,434,590	$	8,433,919

Uses of Funds:		
Acquisition Costs	$	4,199,000
Rehabilitation Costs	$	2,158,560
Relocation	$	59,200
Architectural	$	10,500
Survey & Engineering	$	45,000
Contingency Costs	$	221,900
Construction Period Expenses	$	44,000
Permanent Financing Expenses	$	307,048
Legal Fees	$	75,000
Capitalized Reserves	$	161,140
Reports & Studies	$	39,000
Other (Marketing, etc)	$	144,471
Developer Costs	$	969,100
Total Uses	$	8,433,919

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: 63 out of 128

 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve $5,744,900 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	10
Exceeding Minimum Income Restrictions:	35	15	31
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	0
New Construction	10	10	0
Sustainable Building Methods	8	8	2
Negative Points	-10	-10	0
Total Points	**128**	**108**	**63**

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.