

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
November 17, 2010
Staff Report
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: Sarah Lester

Applicant: California Housing Finance Agency

Allocation Amount Requested:
Tax-exempt: \$10,000,000

Project Information:
Name: Eden Lodge Apartments
Project Address: 400 Springlake Drive
Project City, County, Zip Code: San Leandro, Alameda, 94578

Project Sponsor Information:
Name: Eden Lodge, LP (Eden Housing Inc.)
Principals: Linda Mandolini, Terese McNamee and Jan Peters

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Prudential Affordable Mortgage Company
Credit Enhancement Provider: Prudential Affordable Mortgage Company/Freddie Mac
Private Placement Purchaser: Not Applicable
TEFRA Hearing Date: October 15, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 141, plus 2 manager units
Type: Acquisition and Rehabilitation
Type of Units: Senior Citizens

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
30% (43 units) restricted to 50% or less of area median income households.
70% (98 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:	\$	22,890,916	
Estimated Hard Costs per Unit:	\$	26,941	(\$3,798,718 /141 units)
Estimated per Unit Cost:	\$	162,347	(\$22,890,916 /141 units)
Allocation per Unit:	\$	70,922	(\$10,000,000 /141 units)
Allocation per Restricted Rental Unit:	\$	70,922	(\$10,000,000 /141 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 10,000,000	\$ 10,000,000
Developer Equity	\$ 0	\$ 437
LIH Tax Credit Equity	\$ 650,000	\$ 4,365,023
Seller Take Back Financing	\$ 7,753,691	\$ 7,753,691
Other: Sponsor Loan	\$ 2,588,933	\$ 771,765
Total Sources	\$ 20,992,624	\$ 22,890,916

Uses of Funds:	
Acquisition Cost	\$ 11,433,500
On & Off Site Costs	\$ 513,454
Hard Construction Costs	\$ 3,285,264
Architect & Engineering Fees	\$ 40,000
Contractor Overhead & Profit	\$ 500,537
Developer Fee	\$ 949,404
Cost of Issuance	\$ 628,000
Other Soft Costs	\$ 5,540,757
Total Uses	\$ 22,890,916

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: 63.5 out of 128
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$10,000,000 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	10
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]	0
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	5
New Construction	10	10	0
Sustainable Building Methods	8	8	1
Negative Points	-10	-10	0
Total Points	128	108	63.5

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.