

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 15, 2010
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Richard Fischer

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$6,600,000

Project Information:
Name: Forestwood at Folsom Family Apartments
Project Address: 9483 Greenback Lane
Project City, County, Zip Code: Folsom, Sacramento, 95630

Project Sponsor Information:
Name: Forestwood, L.P. (USA Forestwood, Inc. and Riverside Charitable Corporation)
Principals: Geoffrey C. Brown, Edward R. Herzog, Michael J. McCleery, Karen C. McCurdy, Kimberly Tenold, Valerie Silva and Amber Dymek for USA Forestwood, Inc. and Ken Robertson, Craig Gillett, Penny LaRue, Stewart Hall, Trisha Hockings and Gregg Rogers for Riverside Charitable Corporation.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Citibank, N. A. Freddie Mac
Private Placement Purchaser: Not Applicable
TEFRA Hearing Date: November 15, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 54, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
20% (11 units) restricted to 50% or less of area median income households.
80% (43 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:	\$ 13,170,211	
Estimated Hard Costs per Unit:	\$ 104,305	(\$5,632,451 /54 units)
Estimated per Unit Cost:	\$ 243,893	(\$13,170,211 /54 units)
Allocation per Unit:	\$ 122,222	(\$6,600,000 /54 units)
Allocation per Restricted Rental Unit:	\$ 122,222	(\$6,600,000 /54 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 6,600,000	\$ 4,240,000
Developer Equity	\$ 2,031,356	\$ 655,000
LIH Tax Credit Equity	\$ 1,998,855	\$ 3,850,211
Direct & Indirect Public Funds	\$ 2,340,000	\$ 4,225,000
Other (Seller Note)	\$ 200,000	\$ 200,000
Total Sources	\$ 13,170,211	\$ 13,170,211

Uses of Funds:	
Land Purchase	\$ 1,600,000
On & Off Site Costs	\$ 1,367,059
Hard Construction Costs	\$ 4,265,392
Architect & Engineering Fees	\$ 424,608
Contractor Overhead & Profit	\$ 477,632
Developer Fee	\$ 1,400,000
Cost of Issuance	\$ 240,000
Capitalized Interest	\$ 402,008
Other Soft Costs (Marketing, etc.)	\$ 2,993,512
Total Uses	\$ 13,170,211

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: 78 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$6,600,000 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	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	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	5
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	78

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.