

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 19, 2014
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Leslie J. Campaz

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$12,250,000

Project Information:
Name: Liberty Village Apartments
Project Address: 298 West Chanslor Ave.
Project City, County, Zip Code: Richmond, Contra Costa, 94801

Project Sponsor Information:
Name: LIH Liberty Village LP (LIH Liberty Village LLC; Casa Major, Inc.)
Principals: Shaoul Levy, Jacob Levy, Aryeh Aslan and Ben Mehdizadeh for LIH Liberty Village LLC; Nancy Riley for Casa Major, Inc.
Property Management Company: Platinum Realty Management

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citibank, N.A.
TEFRA Adoption Date: February 4, 2014

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 99, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

The proposed acquisition and rehabilitation project is an existing family housing facility located in the City of Richmond. The project will target families earning up to 60% of the area median income. The unit mix will be comprised of 8 one-bedroom units, 67 two-bedroom units, 24 three-bedroom units and one manager's unit. The scope of rehabilitation includes repair and replacement of irrigation systems, concrete and walkways; upgrades to the tot lot and installation of a ramp to better conform to accessibility guidelines, provide 4 additional designated parking stalls with condorming slope, signage, and dimensions, and replacement of existing windows, gutters and downspouts.

Discription of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

10% (10 units) restricted to 50% or less of area median income households.

90% (89 units) restricted to 60% or less of area median income households.

Unit Mix: 1, 2 & 3 bedrooms

No service amenities are included.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 17,877,714	
Estimated Hard Costs per Unit:	\$ 22,732	(\$2,250,525 /99 units)
Estimated per Unit Cost:	\$ 180,582	(\$17,877,714 /99 units)
Allocation per Unit:	\$ 123,737	(\$12,250,000 /99 units)
Allocation per Restricted Rental Unit:	\$ 123,737	(\$12,250,000 /99 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 12,250,000	\$ 10,000,000
Deferred Developer Fee	\$ 1,713,680	\$ 1,282,285
LIH Tax Credit Equity	\$ 2,264,034	\$ 4,945,429
Construction Period Revenue	\$ 650,000	\$ 650,000
Other (GP Loan)	\$ 1,000,000	\$ 1,000,000
Total Sources	\$ 17,877,714	\$ 17,877,714

Uses of Funds:	
Acquisition/Land Purchase	\$ 10,260,000
Rehabilitation Costs	\$ 2,565,599
Relocation	\$ 80,000
Survey & Engineering	\$ 30,000
Contingency Costs	\$ 506,654
Construction Period Expenses	\$ 655,000
Permanent Financing Expenses	\$ 426,766
Legal Fees	\$ 75,000
Capitalized Reserves	\$ 300,000
Reports and Studies	\$ 40,000
Other	\$ 1,068,000
Developer Costs	\$ 1,870,695
Total Uses	\$ 17,877,714

Description of Financial Structure and Bond Issuance:

The proposed project will be a private placement transaction provided by Citibank, N.A. The bonds will be issued by the California Statewide Communities Development Authority. The construction phase period will be for 24 months with a possible one 6 month extension. The permanent financing loan will have a term of 30 years and will amortize over 35 years with a repayment of the loan in year 17 after closing. The interest rate is estimated to be 5.50%.

Analyst Comments:

Not Applicable

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:

59.8 out of 130

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$12,250,000 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	25
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	7.3
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	15	15	15
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction	10	10	0
Sustainable Building Methods	10	10	0
Negative Points	-10	-10	0
Total Points	130	100	59.8

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.