

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
November 12, 2014
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: \$6,105,000

Project Information:
Name: Rancho California Apartments
Project Address: 29210 Stonewood Road
Project City, County, Zip Code: Temecula, Riverside, 92591

Project Sponsor Information:
Name: AMCAL Rancho California Fund, L.P.(AMCAL Multi-Housing, Inc. and Las Palmas Foundation)
Principals: Percival Vaz and Arjun Nagarkatti for AMCAL Multi-Housing Inc. an Joseph Michaels for Las Palmas Foundation

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citibank, N.A. Construction/ PNC Bank, N.A, Permanent
TEFRA Hearing Date: February 5, 2013

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 54, plus 1 manager unit
Type: HUD 223 F Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:
PERCENT of Restricted Rental Units in the Project: 100%
15% (8 units) restricted to 50% or less of area median income households.
85% (46 units) restricted to 60% or less of area median income households.
Unit Mix: 2, 3 & 4 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 18,877,613	
Estimated Hard Costs per Unit:	\$ 30,557	(\$1,650,055 /54 units)
Estimated per Unit Cost:	\$ 349,585	(\$18,877,613 /54 units)
Allocation per Unit:	\$ 113,056	(\$6,105,000 /54 units)
Allocation per Restricted Rental Unit:	\$ 113,056	(\$6,105,000 /54 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 6,105,000	\$ 6,105,000
PNC Real Estate	\$ 7,943,100	\$ 7,943,100
Deferred Developer Fee	\$ 1,302,473	\$ 794,511
LIH Tax Credit Equity	\$ 3,138,760	\$ 3,487,860
NOI from Operations & Const. Period Res.	\$ 388,280	\$ 547,142
Total Sources	\$ 18,877,613	\$ 18,877,613

Uses of Funds:	
Acquisition	\$ 7,350,000
On & Off Site Costs	\$ 1,650,055
Relocation	\$ 55,000
Architectural	\$ 60,000
Survey & Engineering	\$ 50,000
Contingency Costs	\$ 315,005
Construction Period Expenses	\$ 923,162
Permanent Financing Expenses	\$ 6,182,074
Legal Fees	\$ 237,500
Capitalized Reserves	\$ 332,789
Reports & Studies	\$ 30,000
Other	\$ 371,510
Developer Costs	\$ 1,320,518
Total Uses	\$ 18,877,613

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: 60 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$6,105,000 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	27
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	5
Large Family Units	5	5	5
Leveraging	10	10	8
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	0
New Construction	10	10	0
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
Total Points	118	98	60

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.