

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**July 28, 2010**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: John Weir*

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**Applicant:** California Statewide Communities Development Authority

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**Allocation Amount Requested:**

**Tax-exempt:** \$4,000,000

The amount of allocation requested is supplemental to the \$21,000,000 of allocation the Project received on 09/21/2005.

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**Project Information:**

**Name:** Oakwood Apartments  
**Project Address:** 15168 Perris Blvd.  
**Project City, County, Zip Code:** Moreno Valley, Riverside, 92551

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**Project Sponsor Information:**

**Name:** One Moreno Valley 240, L.P. (Affordable Multi-Family , LLC and Housing Alternatives, Inc.)  
**Principals:** Elva L. Grant, Joe Rios, Carmella Badalyan, and Alice Castillo for Housing Alternatives, Inc. and Michael A. Costa, Robert W. Tetrault for Affordable Multi-Family, LLC.

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**Project Financing Information:**

**Bond Counsel:** Jones Hall, A Professional Law Corporation  
**Underwriter:** Citibank Global Markets, Inc.  
**Credit Enhancement Provider:** Citibank Global Markets, Inc.  
**Private Placement Purchaser:** Not Applicable  
**TEFRA Hearing Date:** June 22, 2010

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 239, plus 2 manager units  
**Type:** New Construction  
**Type of Units:** Family

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**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
38% (91 units) restricted to 50% or less of area median income households.  
62% (148 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 2, 3 & 4 bedrooms

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**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 56,292,809	
<b>Estimated Hard Costs per Unit:</b>	\$ 116,391	(\$27,817,497 /239 units)
<b>Estimated per Unit Cost:</b>	\$ 235,535	(\$56,292,809 /239 units)
<b>Allocation per Unit:</b>	\$ 104,603	(\$4,000,000 /239 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 104,603	(\$4,000,000 /239 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 25,000,000	\$ 14,059,434
Taxable Bonds	\$ 2,000,000	\$ 0
MHP Loan	\$ 0	\$ 10,000,000
Deferred Developer Fee	\$ 5,567,553	\$ 0
LIH Tax Credit Equity	\$ 20,016,969 *	\$ 17,606,913
Direct & Indirect Public Funds	\$ 2,250,000	\$ 3,000,000
Interest Income	\$ 1,458,287	\$ 1,458,287
Developer & Equity Partner Loans	\$ 0	\$ 10,168,178
Total Sources	<u>\$ 56,292,809</u>	<u>\$ 56,292,812</u>

<b>Uses of Funds:</b>	
Acquisition	\$ 3,233,846
New Construction Costs	\$ 33,311,172
Architectural	\$ 364,141
Survey & Engineering	\$ 162,000
Contingency Costs	\$ 1,479,285
Construction Period Expenses	\$ 8,288,422
Permanent Financing Expenses	\$ 973,420
Legal Fees	\$ 464,155
Capitalized Reserves	\$ 1,307,542
Reports & Studies	\$ 56,696
Other (Marketing, etc)	\$ 4,487,130
Developer Costs	\$ 2,165,000
Total Uses	<u>\$ 56,292,809</u>

\* Advance from equity L.P.

**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:** 88.6 out of 118  
[See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$4,000,000 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	0
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]	6.1
Gross Rents	5	5	0
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	5
Negative Points	-10	-10	0
<b>Total Points</b>	<b>118</b>	<b>98</b>	<b>88.6</b>

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.