

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**May 28, 2008**  
**Staff Report**  
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A***  
***QUALIFIED RESIDENTIAL RENTAL PROJECT***

*Prepared by Crystal Alvarez.*

---

**Applicant:** California Municipal Finance Authority

---

**Allocation Amount Requested:** Tax-exempt \$1,801,122

---

**Project Name:** Niland Apartments  
**Project Address:** 17 W 4<sup>th</sup> Street  
**Project City, County, Zip Code:** Niland, Imperial, 92257

---

**Project Sponsor Information:**  
**Name:** APD CA RD 2008, L.P. (APD CA RD 2008 Management, LLC and Hearthstone Housing Foundation)  
**Principals:** Stephen R. Whyte, Socorro Vasquez

---

**Project Financing Information:**  
**Bond Counsel:** Jones Hall, A Professional Law Corporation  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Washington Mutual Bank, F.A.  
**TEFRA Hearing:** March 25, 2008

---

**Description of Proposed Project:**  
**State Ceiling Pool:** Rural  
**Total Number of Units:** 37, plus 1 manager unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Family / Federally Assisted At-Risk

---

**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project: 100%**  
57% (21 units) restricted to 50% or less of area median income households; and  
43% (16 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2 and 3 bedrooms

---

**Term of Restrictions:** 55 years

---

<b>Estimated Total Development Cost:</b>	\$3,804,189
<b>Estimated Hard Costs per Unit:</b>	\$ 17,946 (\$664,015/37 units)
<b>Estimated per Unit Cost:</b>	\$ 102,816 (\$3,804,189/37 units)
<b>Allocation per Unit:</b>	\$ 48,679 (\$1,801,122/37 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 48,679 (\$1,801,122/37 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$1,801,122	\$ 194,000
Developer Equity	\$ 15,323	\$ 15,323
LIH Tax Credit Equity	\$ 197,421	\$ 835,155
Reserves	\$ 103,103	\$ 103,103
MHP	\$ 0	\$ 969,388
Direct & Indirect Public Funds	<u>\$1,687,220</u>	<u>\$1,687,220</u>
<b>Total Sources</b>	<b>\$3,804,189</b>	<b>\$3,804,189</b>

<b>Uses of Funds:</b>	
Land Purchase	\$2,067,220
Hard Construction Costs	\$ 664,015
Architect & Engineering Fees	\$ 42,075
Contractor Overhead & Profit	\$ 92,962
Developer Fee	\$ 272,980
Cost of Issuance	\$ 73,202
Other Soft Costs	<u>\$ 591,735</u>
<b>Total Uses</b>	<b>\$3,804,189</b>

---

**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:** 65 out of 128  
[See Attachment A]

---

**Recommendation:**

Staff recommends that the Committee approve \$1,801,122 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: Non-Mixed Income Project Mixed Income Project	35	15	35
Gross Rents	5	5	5
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	0
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	0
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	NA
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>65</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.