

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 12, 2012
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: Anaheim Housing Authority

Allocation Amount Requested:
Tax-exempt: \$20,501,782

Project Information:
Name: Paseo Village Apartments
Project Address: 1115 Citron Street
Project City, County, Zip Code: Anaheim, Orange, 92801

Project Sponsor Information:
Name: Paseo Village Housing Partners, L.P. (Related/Paseo Village Development Co., LLC and OHDC Paseo Village, LLC)
Principals: William A Witte for Related/Paseo Village Development Co., LLC and Eunice Bobert for OHDC Paseo Village, LLC
Property Management Company: Related Management Company

Project Financing Information:
Bond Counsel: Stradling, Yocca, Carlson & Rauth
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citibank, N.A
TEFRA Hearing Date: September 25, 2012

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 174, plus 2 manager units
Type: Acquisition and Rehabilitation
Type of Units: Family

Paseo Village Apartments consists of 49 one- and two-story apartments buildings containing a total of 176 units. The site offers on-site management, swimming pool, picnic area, playground, perimeter fencing, laundry room and exercise room. Unit amenities include central heat and cooling with all control panels located within the unit. Units also include ceiling fans, storage and coat closets, and patio /balconies. Units are equipped with the following appliances: refrigerator, stove/oven, dishwasher, garbage disposal, and washer dryer hookups.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 99%
10% (18 units) restricted to 50% or less of area median income households.
89% (155 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

Project will provide After School Programs.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost: \$ 31,226,712
Estimated Hard Costs per Unit: \$ 36,272 (\$6,311,261 /174 units)
Estimated per Unit Cost: \$ 179,464 (\$31,226,712 /174 units)
Allocation per Unit: \$ 117,826 (\$20,501,782 /174 units)
Allocation per Restricted Rental Unit: \$ 117,826 (\$20,501,782 /173 restricted units)

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Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 20,501,782	\$ 12,970,000
Deferred Developer Fee	\$ 1,750,000	\$ 0
LIH Tax Credit Equity	\$ 1,637,961	\$ 10,919,743
Direct & Indirect Public Funds	\$ 6,030,000	\$ 6,030,000
Other	\$ 1,306,969	\$ 1,306,969
Total Sources	\$ 31,226,712	\$ 31,226,712
Uses of Funds:		
Acquisition/Land Purchase	\$ 17,700,000	
On & Off Site Costs	\$ 200,000	
Hard Construction Costs	\$ 6,111,261	
Architect & Engineering Fees	\$ 292,000	
Contractor Overhead & Profit	\$ 913,871	
Developer Fee	\$ 2,500,000	
Relocation	\$ 176,000	
Cost of Issuance	\$ 308,000	
Capitalized Interest	\$ 474,000	
Other Soft Costs (Marketing, etc.)	\$ 2,551,580	
Total Uses	\$ 31,226,712	

Description of Financial Structure and Bond Issuance:

Citi Community Capital will provide a private placement of tax-exempt private activity bonds in the amount of \$20,501,782 that will serve as the construction loan. The construction loan term will be 24 months and will carry a variable interest rate based on SIFMA plus a 225 basis points. The permanent loan will be at a fixed rate equal to the 17-year MMD plus 225 basis points. The permanent loan will have a 15-year term and 35-year amortization.

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: 60 out of 130

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$20,501,782 in tax exempt bond allocation on a carryforward basis.

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]	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	10
Service Amenities	10	10	5
New Construction	10	10	0
Sustainable Building Methods	10	10	0
Negative Points	-10	-10	0
Total Points	130	100	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.