

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 26, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Crystal Alvarez.

Applicant: ABAG Finance Authority For Nonprofit Corporations

Allocation Amount Requested: Tax-exempt \$5,000,000

Project Name: Tracy Garden Apartments
Project Address: 662 East Street
Project City, County, Zip Code: Tracy, San Joaquin 95376-4207

Project Sponsor Information:
Name: Tracy Garden Village Associates, L.P. (Dawson Holdings, Inc. and Pacific Housing, Inc.)
Principals: Tom Dawson, Tim Fluetsch, Mark Wiese, Bryan Alexander

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Centerline Capital Group
TEFRA Hearing: July 3, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 87, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Senior

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
98% (86 units) restricted to 50% or less of area median income households; and
2% (1 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$ 9,422,143
Estimated Hard Costs per Unit:	\$ 27,474 (\$2,390,239/87 units)
Estimated per Unit Cost:	\$ 108,300 (\$9,422,143/87 units)
Allocation per Unit:	\$ 57,472 (\$5,000,000/87 units)
Allocation per Restricted Rental Unit:	\$ 57,472 (\$5,000,000/87 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$5,000,000	\$4,163,600
Developer Equity	\$ 862,126	\$ 410,675
LIH Tax Credit Equity	\$1,573,564	\$2,861,415
Direct & Indirect Public Funds	\$1,975,000	\$1,975,000
Other	<u>\$ 11,453</u>	<u>\$ 11,453</u>
Total Sources	\$9,422,143	\$9,422,143

Uses of Funds:	
Land Purchase	\$5,150,000
Hard Construction Costs	\$2,390,239
Architect & Engineering Fees	\$ 10,400
Contractor Overhead & Profit	\$ 226,832
Developer Fee	\$ 920,926
Relocation	\$ 25,000
Cost of Issuance	\$ 223,484
Capitalized Interest	\$ 49,741
Other Soft Costs	<u>\$ 425,521</u>
Total Uses	\$9,422,143

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: 62.5 out of 128

Recommendation:

Staff recommends that the Committee approve \$5,000,000 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: 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	7.5
Service Amenities	10	10	5
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	128	108	62.5

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.