

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 5, 2007
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Richard Fischer.

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$27,910,000

Project Name: Almaden 1930 Apartments

Project Address: 1930 Almaden Road
Project City, County, Zip Code: San Jose, Santa Clara, 95125

The proposed Project is located in a Enterprise Zone, more specifically identified in the Consolidated Plan adopted by the San Jose City Council on May 3, 2005.

Project Sponsor Information:

Name: Almaden 1930, L.P. (Almaden 1930 -MGP, LLC [Affordable Housing Access, Inc.] and Almaden 1930, CO-GP LLC [KDF Communities])
Principals: Jonathan B. Webb and William W. Hirsch for Almaden 1930-MGP, LLC; Mark E. Hyatt, Fruchbom Investment Trust, Fruchbom Trust, Chris M. Burns, Yellow Branch Investments, Inc., California Venture Management Services, Inc., JC Wartell Nongrantor Trust, RT Harper Nongrantor Trust, Wartell Children Nongrantor Trust and RK Leach Investments, Inc. for Almaden 1930, CO-GP LLC.

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Private Placement Purchaser: Citigroup Global Markets, Inc.
TEFRA Hearing: October 31, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 151, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
10% (16 units) restricted to 50% or less of area median income households; and
90% (135 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1- and 2- bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$34,865,314
Estimated Hard Costs per Unit:	\$ 17,163 (\$2,591,589/151 units)
Estimated per Unit Cost:	\$ 230,896 (\$34,865,314/151 units)
Allocation per Unit:	\$ 184,834 (\$27,910,000/151 units)
Allocation per Restricted Rental Unit:	\$ 184,834 (\$27,910,000/151 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$29,910,000	\$21,470,000
Deferred Developer Fee	\$ 0	\$ 2,500,000
LIH Tax Credit Equity	<u>\$ 3,683,570</u>	<u>\$10,895,314</u>
Total Sources	\$31,593,570	\$34,865,314

Uses of Funds:	
Acquisition Cost	\$26,428,125
Hard Construction Costs	\$ 2,591,589
Architect & Engineering Fees	\$ 35,000
Contractor Overhead & Profit	\$ 222,136
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 838,752
Capitalized Interest	\$ 1,387,736
Other Soft Costs (Marketing, etc.)	<u>\$ 861,976</u>
Total Uses	\$34,865,314

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: 60.5 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$27,910,000 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: Non-Mixed Income Project Mixed Income Project	35	15	25
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	0
Community Revitalization Area	15	15	15
Site Amenities	10	10	7.5
Service Amenities	10	10	5
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	NA
Total Points	128	108	60.5

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.