

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 26, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Brady Hill.

Applicant: California Housing Finance Agency

Allocation Amount Requested: Tax-exempt \$4,730,000

Project Name: Tahoe Senior Plaza II Apartments
Project Address: 1447 Herbert Avenue
Project City, County, Zip Code: South Lake Tahoe, El Dorado, 96150

Project Sponsor Information:
Name: Tahoe Senior Housing II, L.P.
(Carmel Senior Housing, Inc.)
Principals: David Ferguson, Ancel Romero, Pamela Scott and
Leon Gean

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Merrill Lynch & Co.
Credit Enhancement Provider: California Housing Finance Agency
Private Placement Purchaser: Not applicable
TEFRA Hearing: February 20, 2008

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 32, plus 1 manager unit
Type: New Construction
Type of Units: Senior

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (32 units) restricted to 50% or less of area median income households.
Unit Mix: 1 and 2 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$8,508,628
Estimated Hard Costs per Unit:	\$ 136,427 (\$4,365,649/32 units)
Estimated per Unit Cost:	\$ 265,895 (\$8,508,628/32 units)
Allocation per Unit:	\$ 147,813 (\$4,730,000/32 units)
Allocation per Restricted Rental Unit:	\$ 147,813 (\$4,730,000/32 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$4,730,000	\$ 0
Developer Equity	\$ 0	\$ 485,000
Deferred Developer Fee	\$ 0	\$ 50,000
LIH Tax Credit Equity	\$ 10,000	\$3,235,000
Direct & Indirect Public Funds	\$2,707,500	\$4,319,222
Other	<u>\$ 42,704</u>	<u>\$ 419,406</u>
Total Sources	\$7,490,204	\$8,508,628

Uses of Funds:	
Land Purchase	\$ 712,500
On-Site & Off-Site Costs	\$ 414,433
Hard Construction Costs	\$3,951,216
Architect & Engineering Fees	\$ 432,500
Contractor Overhead & Profit	\$ 835,518
Developer Fee	\$1,007,203
Capitalized Interest	\$ 283,873
Other Soft Costs	<u>\$ 871,385</u>
Total Uses	\$8,508,628

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 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$4,730,000 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]	10
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	0
Service Amenities	10	10	10
Sustainable Building Methods	8	8	8
New Construction	10	10	10
Negative Points	NA	NA	0
Total Points	128	108	88

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.