

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 3, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by John Weir

Applicant: Redevelopment Agency of the City of Suisun City

Allocation Amount Requested: Tax-exempt \$5,982,000
PROJECT ORIGINALLY RECEIVED ALLOCATION ON July 16, 2008. APPLICANT REQUESTED AWARD BE DEFERRED TO DECEMBER 3 ALLOCATION MEETING.

Project Name: Continental Apartments
Project Address: 1100 Crystal Street, 1101 West Street, 1117 School St.
Project City, County, Zip Code: Suisun City, Solano, 94585

Project Sponsor Information:
Name: DHI Continental Associates, L.P. (DHI Continental Associates, LLC and Community Resident Services, Inc.)
Principals: Thomas Dawson & Tim Fleutsch, of DHI Continental, and Christina Breiner of Community Resident Services, Inc.

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: US Bank National Association
TEFRA Hearing: April 15, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 75, 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%
29% (22 units) restricted to 50% or less of area median income households; and
71% (53 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	10,570,591	
Estimated Hard Costs per Unit:	37,121 (\$2,784,078 / 75 units)
Estimated per Unit Cost:	140,941 (\$10,570,575 / 75 units)
Allocation per Unit:	79,760 (\$5,982,000 / 75 units)
Allocation per Restricted Rental Unit:	79,760 (\$5,982,000 / 75 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$5,982,000	\$3,482,000
Developer Equity	\$919,627	\$753,830
LIH Tax Credit Equity	\$406,464	\$2,709,761
Direct & Indirect Public Funds	\$3,262,000	\$3,625,000
Total Sources	\$10,570,091	\$10,570,591

Uses of Funds:	
Acquisition Cost	\$5,512,000
Hard Construction Costs	\$2,784,098
Architect & Engineering Fees	\$35,400
Contractor Overhead & Profit	\$264,208
Developer Fee	\$1,217,900
Relocation	\$100,000
Cost of Issuance	\$227,865
Capitalized Interest	\$87,984
Other Soft Costs	\$341,136
Total Uses	\$10,570,591

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: 75 out of 138

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$5,982,000 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	35	15	35
Mixed Income Project			
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
Exceeding Minimum Term of Restrictions	10	10	10
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	10
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	138	118	75

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.