

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 3, 2008
Staff Report
2008 HOUSING ACT VOLUME CAP (H.R. 3221)
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: John Weir

Applicant: County of Contra Costa

Allocation Amount Requested: Tax-exempt: \$51,520,000

Project Information:
Name: Highlands Point Apartments
Project Address: Ivy Hill Way
Project City, County, Zip Code: San Ramon, Contra Costa, 94582

Project Sponsor Information:
Name: Windemere San Ramon L.P. (Pacific Housing Inc. and Anton Highlands, LLC)
Principals: Steven L. Eggert, Peter Germia for Anton Highlands, LLC and Mark A. Wiese for Pacific Housing Inc.

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Union Bank of California, N.A.
TEFRA Hearing: July 22, 2008

Description of Proposed Project:
State Ceiling Pool: Mixed Income
Total Number of Units: 291, plus 2 manager's units
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 20%
20% (59 units) restricted to 50% or less of area median income households.
 (0 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$60,053,911	
Estimated Hard Costs per Unit:	\$111,907	(\$32,564,916 / 291 units)
Estimated per Unit Cost:	\$206,371	(\$60,053,911 / 291 units)
Allocation per Unit:	\$177,045	(\$51,520,000 / 291 units)
Allocation per Restricted Rental Unit:	\$873,220	(\$51,520,000 / 59 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 51,520,000	\$ 51,520,000
Deferred Developer Fee	\$ 0	\$ 0
LIH Tax Credit Equity	\$ 4,578,161	\$ 4,578,161
Investment Income	\$ 863,010	\$ 863,010
NOI During Lease-Up	\$ 3,092,740	\$ 3,092,740
Total Sources	\$ 60,053,911	\$ 60,053,911

Uses of Funds:	
Land Cost	\$ 2,000,000
On & Off Site Costs	\$ 3,408,000
Hard Construction Costs	\$ 29,156,916
Architect & Engineering Fees	\$ 598,500
Contractor Overhead & Profit	\$ 1,628,246
Developer Fee	\$ 0
Cost of Issuance	\$ 1,861,469
Capitalized Interest	\$ 5,462,512
Other Soft Costs	\$ 15,938,268
Total Uses	\$ 60,053,911

The Project Sponsor has requested an exception to the \$30 million cap per project imposed by Section 17.IV of the CDLAC Procedures on the basis that the project is large mixed income development on topography that limits access to phasing. In accordance with Section 17.IV.B, the Executive Director is recommending that the Committee approve the exception as requested.

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: 64 out of 108
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$51,520,000 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:	35	15	6
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	0
Exceeding Minimum Term of Restrictions	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	128	108	64

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.