

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: Brady Hill

Applicant: Sacramento Housing and Redevelopment Agency

Allocation Amount Requested: **Tax-exempt:** \$6,450,000

Project Information:

Name: Shiloh Arms Apartments
Project Address: 4009 23rd Ave.
Project City, County, Zip Code: Sacramento, Sacramento, 95820

Project Sponsor Information:

Name: Shiloh Arms Partners, LP (Shiloh Arms Management, LLC and AOF/Pacific Affordable Housing)
Principals: Stephen R. Whyte for Shiloh Arms Management, LLC; Philip Kennedy and Ray Nayar for AOF/Pacific Affordable Housing

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Wells Fargo Bank, N.A.
TEFRA Hearing: September 30, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 106, plus no manager's units
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
20% (21 units) restricted to 50% or less of area median income households.
80% (85 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1, 2, 3 & 4 bedrooms

Term of Restrictions: 55 years

| | | |
|---|--------------|--------------------------------------|
| Estimated Total Development Cost: | \$13,207,829 | |
| Estimated Hard Costs per Unit: | \$30,290 | (\$3,210,735 / 106 units) |
| Estimated per Unit Cost: | \$124,602 | (\$13,207,829 / 106 units) |
| Allocation per Unit: | \$60,849 | (\$6,450,000 / 106 units) |
| Allocation per Restricted Rental Unit: | \$60,849 | (\$6,450,000 / 106 restricted units) |

| Sources of Funds: | <u>Construction</u> | <u>Permanent</u> |
|---------------------------------|----------------------|----------------------|
| Tax-Exempt Bond Proceeds | \$ 6,450,000 | \$ 6,450,000 |
| Developer Equity | \$ 1,505,643 | \$ 1,074,366 |
| LIH Tax Credit Equity | \$ 2,757,204 | \$ 3,676,273 |
| Direct & Indirect Public Funds | \$ 1,500,000 | \$ 1,500,000 |
| Income from Property Operations | \$ 307,190 | \$ 307,190 |
| Interest Reduction Payments | \$ 163,200 | \$ 200,000 |
| Total Sources | \$ 12,683,237 | \$ 13,207,829 |

| Uses of Funds: | |
|------------------------------|----------------------|
| Acquisition Costs | \$ 6,800,000 |
| Hard Construction Costs | \$ 3,210,735 |
| Architect & Engineering Fees | \$ 2,500 |
| Contractor Overhead & Profit | \$ 219,374 |
| Developer Fee | \$ 1,692,334 |
| Relocation | \$ 25,000 |
| Cost of Issuance | \$ 90,050 |
| Capitalized Interest | \$ 307,190 |
| Other Soft Costs | \$ 860,646 |
| Total Uses | \$ 13,207,829 |

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: 90.5 out of 138

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$6,450,000 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 | 10 |
| Exceeding Minimum Income Restrictions: | 35 | 15 | 30 |
| Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project] | [10] | [10] | 0 |
| Gross Rents | 5 | 5 | 5 |
| Large Family Units | 5 | 5 | 5 |
| Leveraging | 10 | 10 | 10 |
| Exceeding Minimum Term of Restrictions | 10 | 10 | 10 |
| Community Revitalization Area | 15 | 15 | 0 |
| Site Amenities | 10 | 10 | 7.5 |
| Service Amenities | 10 | 10 | 10 |
| New Construction | 10 | 10 | 0 |
| Sustainable Building Methods | 8 | 8 | 3 |
| Negative Points | -10 | -10 | 0 |
| Total Points | 138 | 118 | 90.5 |

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.