

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 25, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Brady Hill

Applicant: County of Contra Costa

Allocation Amount Requested:
Tax-exempt: \$19,660,092

Project Information:
Name: Valley Vista Senior Housing Apartments
Project Address: 20503 & 20709 San Ramon Valley Blvd.
Project City, County, Zip Code: San Ramon, Contra Costa, 94583

Project Sponsor Information:
Name: Valley Vista Senior Housing, L.P. (Carmel Senior Housing, Inc.)
Principals: Pamela S. Claasen, David B. Ferguson and Leon. L. Gene for Carmel Housing, Inc.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo Bank, N.A.
TEFRA Hearing: November 18, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 104, plus 1 manager unit
Type: New Construction
Type of Units: Senior Citizens

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (104 units) restricted to 50% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 33,134,354	
Estimated Hard Costs per Unit:	\$ 143,854	(\$14,960,792 /104 units)
Estimated per Unit Cost:	\$ 318,600	(\$33,134,354 /104 units)
Allocation per Unit:	\$ 189,039	(\$19,660,092 /104 units)
Allocation per Restricted Rental Unit:	\$ 189,039	(\$19,660,092 /104 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 19,660,092	\$ 0
Developer Equity	\$ 0	\$ 10,971
LIH Tax Credit Equity	\$ 2,210,000	\$ 9,708,047
Direct & Indirect Public Funds	\$ 9,595,000	\$ 23,218,401
Other	\$ 1,669,262	\$ 196,935
Total Sources	\$ 33,134,354	\$ 33,134,354

Uses of Funds:	
Land Purchase	\$ 5,250,000
On & Off Site Costs	\$ 3,182,875
Hard Construction Costs	\$ 11,777,917
Architect & Engineering Fees	\$ 1,232,575
Contractor Overhead & Profit	\$ 1,910,071
Developer Fee	\$ 1,400,971
Cost of Issuance	\$ 165,816
Capitalized Interest	\$ 760,200
Other Soft Costs	\$ 7,453,929
Total Uses	\$ 33,134,354

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: 83 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$19,660,092 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	35
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	0
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
New Construction	10	10	10
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	118	98	83

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.