

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 23, 2009
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Crystal Alvarez

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$4,500,000

Project Information:
Name: Erna P. Harris Court Apartments
Project Address: 1330 University Avenue
Project City, County, Zip Code: Berkeley, Alameda, 94702

Project Sponsor Information:
Name: Resources for Community Development
Principals: Dan Sawislak, Peter Poon, Kate McKean and Linda Mackey

Project Financing Information:
Bond Counsel: Squire, Sanders & Dempsey, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo Bank, N.A.
TEFRA Hearing Date: July 14, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 34, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family/Special Needs

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (34 units) restricted to 50% or less of area median income households.
Unit Mix: Studio & 1 bedroom

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	9,058,943	
Estimated Hard Costs per Unit:	\$	75,753	(\$2,575,595 /34 units)
Estimated per Unit Cost:	\$	266,440	(\$9,058,943 /34 units)
Allocation per Unit:	\$	132,353	(\$4,500,000 /34 units)
Allocation per Restricted Rental Unit:	\$	132,353	(\$4,500,000 /34 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 4,500,000	\$ 0
Existing Reserve	\$ 60,253	\$ 60,253
Deferred Developer Fee	\$ 165,828	\$ 165,828
LIH Tax Credit Equity	\$ 196,385	\$ 1,799,612
Direct & Indirect Public Funds	\$ 3,611,491	\$ 7,033,250
Other (Cost Deferred until Perm)	\$ 524,986	\$
Total Sources	\$ 9,058,943	\$ 9,058,943

Uses of Funds:	
Acquisition Costs	\$ 3,092,223
Rehabilitation Costs	\$ 2,962,713
Relocation	\$ 150,000
Architectural	\$ 195,000
Survey & Engineering	\$ 20,000
Contingency Costs	\$ 701,717
Construction Period Expenses	\$ 514,649
Permanent Financing Expenses	\$ 10,000
Legal Fees	\$ 130,000
Capitalized Reserves	\$ 220,048
Reports & Studies	\$ 29,500
Other (Marketing, etc)	\$ 194,765
Developer Costs	\$ 838,328
Total Uses	\$ 9,058,943

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: 80.5 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$4,500,000 in tax exempt bond allocation on a carryforward basis. The CDLAC bond issuance deadline shall be 1) the project specific California Tax Credit Allocation Committee closing deadline for January 27, 2010 TCAP/Exchange awards or 2) August 25, 2010 for those applicants unsuccessful in obtaining a TCAP/Exchange award on January 27, 2010.

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	5
Large Family Units	5	5	0
Leveraging	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	118	98	80.5

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.