

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 22, 2010
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Richard Fischer

Applicant: City of Santa Rosa

Allocation Amount Requested:
Tax-exempt: \$8,600,000

Project Information:
Name: Acacia Lane Senior Apartments
Project Address: 657 Acacia Lane
Project City, County, Zip Code: Santa Rosa, Sonoma, 95409

Project Sponsor Information:
Name: Acacia Lane Senior Apartments, L.P. (575 Vallejo Street, Inc. and Petaluma Ecumenical Properties)
Principals: David Schmidt, Richard Rodkin, Art Cooper, Mary Savage and Mary Stompe for 575 Vallejo Street, Inc.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Silicon Valley Bank
TEFRA Hearing Date: November 3, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 43, 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% (43 units) restricted to 50% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	12,841,857	
Estimated Hard Costs per Unit:	\$	158,989	(\$6,836,518 /43 units)
Estimated per Unit Cost:	\$	298,648	(\$12,841,857 /43 units)
Allocation per Unit:	\$	200,000	(\$8,600,000 /43 units)
Allocation per Restricted Rental Unit:	\$	200,000	(\$8,600,000 /43 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 8,600,000	\$ 0
Deferred Developer Fee	\$ 80,339	\$ 80,339
Deferred Developer Equity	\$ 0	\$ 10,000
Deferred Costs to Perm Loan Close	\$ 1,356,417	\$ 0
LIH Tax Credit Equity	\$ 235,425	\$ 3,959,142
Direct & Indirect Public Funds	\$ 2,569,676	\$ 8,792,376
Total Sources	\$ 12,841,857	\$ 12,841,857

Uses of Funds:	
Land Purchase	\$ 762,000
On & Off Site Costs	\$ 672,985
Hard Construction Costs	\$ 6,163,533
Architect & Engineering Fees	\$ 592,895
Contractor Overhead & Profit	\$ 845,359
Developer Fee	\$ 1,200,000
Cost of Issuance	\$ 218,673
Capitalized Interest	\$ 658,454
Other Soft Costs (Marketing, Etc.)	\$ 1,727,958
Total Uses	\$ 12,841,857

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: 93 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$8,600,000 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	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	5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	93

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.