

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: John Weir

Applicant: California Housing Finance Agency

Allocation Amount Requested:
Tax-exempt: \$10,830,000

Project Information:
Name: South PACE Apartments
Project Address: 1189 and 1226 Tabor Ave/2001 through 2031 Bristol Lane
Project City, County, Zip Code: Fairfield, Solano, 94533

Project Sponsor Information:
Name: ANF Family Partners, L.P. (National Community Renaissance of California and Southern California Affordable Housing Corporation)
Principals: Sebastiano Sterpa, Orlando J. Cabrera, Richard J. Whittingham, Tracy Thomas, and Welton Smith for National Community Renaissance of California and Southern California Affordable Housing Corporation.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Wells Fargo Bank, N.A./Freddie Mac
Private Placement Purchaser: Not Applicable
TEFRA Hearing Date: June 22, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 92, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
23% (21 units) restricted to 50% or less of area median income households.
77% (71 units) restricted to 60% or less of area median income households.
Unit Mix: 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 21,053,632	
Estimated Hard Costs per Unit:	\$ 58,858	(\$5,414,972 /92 units)
Estimated per Unit Cost:	\$ 228,844	(\$21,053,632 /92 units)
Allocation per Unit:	\$ 117,717	(\$10,830,000 /92 units)
Allocation per Restricted Rental Unit:	\$ 117,717	(\$10,830,000 /92 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 10,830,000	\$ 5,100,000
LIH Tax Credit Equity	\$ 447,685	\$ 2,183,760
Direct & Indirect Public Funds	\$ 8,172,093	\$ 11,961,699
Deferred Developer Fee & Sponsor Loan	\$ 0	\$ 1,808,172
Total Sources	\$ 19,449,778	\$ 21,053,631

Uses of Funds:	
Acquisition Cost	\$ 10,578,842
On & Off Site Costs	\$ 854,252
Hard Construction Costs	\$ 4,560,720
Architect & Engineering Fees	\$ 226,000
Contractor Overhead & Profit	\$ 352,988
Developer Fee	\$ 1,206,277
Relocation	\$ 747,408
Cost of Issuance	\$ 261,861
Capitalized Interest	\$ 503,868
Other Soft Costs	\$ 1,761,416
Total Uses	\$ 21,053,632

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: 68 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$10,830,000 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	31
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	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	5
New Construction	10	10	0
Sustainable Building Methods	8	8	7
Negative Points	-10	-10	0
Total Points	118	98	68

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.