

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 21, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Sarah Lester.

Applicant: City of Santa Rosa

Allocation Amount Requested: Tax-exempt \$17,191,696

Project Name: Colgan Meadows Apartments

Project Address: 3000 Dutton Meadows
Project City, County, Zip Code: Santa Rosa, Sonoma, 95407

Project Sponsor Information:

Name: Burbank Housing Development Corporation
Principals: John Lowry, Chuck Cornell and Cindi Johnson

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: U.S. Bank National Association
TEFRA Hearing: February 6, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 83, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
89% (74 units) restricted to 50% or less of area median income households; and
11% (9 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1, 2, 3 and 4 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$26,346,950	
Estimated Hard Costs per Unit:	\$ 181,631	(\$15,075,400/83 units)
Estimated per Unit Cost:	\$ 317,433	(\$26,346,950/83 units)
Allocation per Unit:	\$ 207,129	(\$17,191,696/83 units)
Allocation per Restricted Rental Unit:	\$ 207,129	(\$17,191,696/83 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$17,191,696	\$ 1,387,300
Deferred Developer Fee	\$ 1,411,000	\$ 1,411,000
LIH Tax Credit Equity	\$ 10,000	\$10,927,495
Direct & Indirect Public Funds	\$ 6,014,411	\$12,247,655
AHP	\$ 0	\$ 373,500
Other	\$ 1,719,843	\$ 0
Total Sources	\$26,346,950	\$26,346,950

Uses of Funds:	
Land Purchase	\$ 1,409,900
On-Site & Off-Site Costs	\$ 3,512,010
Hard Construction Costs	\$11,563,390
Architect & Engineering Fees	\$ 580,660
Contractor Overhead & Profit	\$ 607,810
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 231,830
Capitalized Interest	\$ 1,198,825
Other Soft Costs (Marketing, etc.)	\$ 4,742,525
Total Uses	\$26,346,950

Legal Questionnaire:

Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the application. Legal issues disclosed by the Project Sponsor were vetted and were not determined to be grounds to deny the application. No information was disclosed in the application to question the financial viability of the Project or legal integrity of the Applicant.

Total Points: 88 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$17,191,696 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: Non-Mixed Income Project Mixed Income Project	35	15	35
Gross Rents	5	5	5
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	0
Sustainable Building Methods	8	8	8
New Construction	10	10	10
Negative Points	NA	NA	0
Total Points	128	108	88

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.