

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 23, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Sarah Lester.

Applicant: City of Hayward

Allocation Amount Requested: Tax-exempt \$7,300,000
[Taxable Debt: \$1,100,000]

Project Name: **The Majestic Apartments**
Project Address: 959 Torrano Avenue
Project City, County, Zip Code: Hayward, Alameda, 94542

Project Sponsor Information:
Name: Hayward Pacific Associates, LP (Central Valley Coalition for Affordable Housing, AMG & Associates, LLC and Roope, LLC)
Principals: Christina Alley, Alexis Gregorian, Odet Najarian and Caleb Roope

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citicorp North America, Inc. (Citibank)
TEFRA Hearing: March 13, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 80, 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%
10% (8 units) restricted to 50% or less of area median income households; and
90% (72 units) restricted to 60% or less of area median income households.
Unit Mix: 1 and 2 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$13,304,769
Estimated Hard Costs per Unit:	\$ 16,220 (\$1,297,638/80 units)
Estimated per Unit Cost:	\$ 166,310 (\$13,304,769/80 units)
Allocation per Unit:	\$ 91,250 (\$7,300,000/80 units)
Allocation per Restricted Rental Unit:	\$ 91,250 (\$7,300,000/80 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 7,300,000	\$ 7,000,000
Taxable Bond Proceeds	\$ 1,100,000	\$ 0
LIH Tax Credit Equity	\$ 3,054,240	\$ 4,698,540
Deferred Cost	\$ 244,300	\$ 0
Other (Def. Dev. Fee)	\$ 1,606,229	\$ 1,606,229
Total Sources	\$13,304,769	\$13,304,769

Uses of Funds:	
Acquisition Cost	\$ 9,100,000
On-Site & Off-Site Costs	\$ 81,000
Hard Construction Costs	\$ 1,216,638
Architect & Engineering Fees	\$ 30,000
Contractor Overhead & Profit	\$ 76,388
Developer Fee	\$ 1,626,229
Relocation	\$ 80,000
Cost of Issuance	\$ 268,910
Capitalized Interest	\$ 300,000
Other Soft Costs	\$ 525,604
Total Uses	\$13,304,769

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: 60.2 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$7,300,000 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: Non-Mixed Income Project Mixed Income Project	35	15	25
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]	0
Large Family Units	5	5	0
Leveraging	10	10	4.7
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	8
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	128	108	60.2

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.