

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 Crystal Alvarez.

Applicant: California Municipal Finance Authority

Allocation Amount Requested: Tax-exempt \$21,500,000

Project Name: Fox Court Apartments
Project Address: Parcel B of Amended Parcel Map 8686
Project City, County, Zip Code: Oakland, Alameda, 94612

The proposed project is located in the Central District Redevelopment Project Area in the City of Oakland.

Project Sponsor Information:
Name: Resources for Community Development
Principals: Daniel Sawislak, Peter Poon, Kate McKean

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Union Bank
Credit Enhancement Provider: N/A
Private Placement Purchaser: Union Bank of California
TEFRA Hearing: April 4, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 79, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
 41% (32 units) restricted to 50% or less of area median income households; and
 59% (47 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1, 2, 3, 4 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$34,086,941
Estimated Hard Costs per Unit:	\$ 312,576 (\$24,693,574/79 units)
Estimated per Unit Cost:	\$ 431,480 (\$34,086,941/79 units)
Allocation per Unit:	\$ 272,152 (\$21,500,000/79 units)
Allocation per Restricted Rental Unit:	\$ 272,152 (\$21,500,000/79 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$21,500,000	\$ 3,311,900
Developer Equity	\$ 0	\$ 1,235,000
LIH Tax Credit Equity	\$ 1,500,000	\$15,343,439
AHP Subsidy	\$ 395,000	\$ 395,000
Direct & Indirect Public Funds	\$ 7,714,000	\$13,526,602
Other	\$ 0	\$ 275,000
Total Sources	\$31,109,000	\$34,086,941

Uses of Funds:	
Land Purchase	\$ 3,000
On-Site & Off-Site Costs	\$ 1,308,650
Hard Construction Costs	\$23,384,924
Architect & Engineering Fees	\$ 1,611,000
Contractor Overhead & Profit	\$ 1,293,226
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 221,671
Capitalized Interest	\$ 1,015,857
Other Soft Costs	\$ 2,748,613
Total Uses	\$34,086,941

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: 115.5 out of 128
 [See Attachment #A]

Recommendation:

Staff recommends that the Committee approve \$21,500,000 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	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	15
Site Amenities	10	10	7.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	8
New Construction	10	10	10
Negative Points	NA	NA	N/A
Total Points	128	108	115.5

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.