

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 Brady Hill.

Applicant: California Municipal Finance Authority

Allocation Amount Requested: Tax-exempt \$22,000,000

Project Name: University Village Apartments
Project Address: 2nd Avenue and 9th Street
Project City, County, Zip Code: Marina, Monterey, 93933

The proposed Project is located in a Community Revitalization Area, more specifically the City of Marina Redevelopment Area #3.

Project Sponsor Information:

Name: University Village Associates, a California Limited Partnership (South County Housing Corporation and Monterra Village Housing Corporation)
Principals: Dennis Lalor, Nestor Nunez, Roger Wong and Monica Toumani

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Wells Fargo Bank, N.A.
TEFRA Hearing: February 6, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 107, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
94% (101 units) restricted to 50% or less of area median income households; and
6% (6 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 and 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$29,117,753
Estimated Hard Costs per Unit:	\$ 163,322 (\$17,475,407/107 units)
Estimated per Unit Cost:	\$ 272,129 (\$29,117,753/107 units)
Allocation per Unit:	\$ 205,607 (\$22,000,000/107 units)
Allocation per Restricted Rental Unit:	\$ 205,607 (\$22,000,000/107 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$22,000,000	\$ 1,545,173
Developer Equity	\$ 0	\$ 1,200,000
LIH Tax Credit Equity	\$ 1,000,000	\$12,690,376
Direct & Indirect Public Funds	\$ 0	\$ 7,257,850
Sponsor Loan	\$ 5,460,931	\$ 6,424,354
Other	<u>\$ 656,822</u>	<u>\$ 0</u>
Total Sources	\$29,117,753	\$29,117,753

Uses of Funds:	
Land Purchase	\$ 1
On-Site & Off-Site Costs	\$ 2,839,521
Hard Construction Costs	\$14,635,886
Architect & Engineering Fees	\$ 1,221,542
Contractor Overhead & Profit	\$ 1,165,939
Developer Fee	\$ 2,400,000
Cost of Issuance	\$ 102,034
Capitalized Interest	\$ 1,232,092
Other Soft Costs	<u>\$ 5,520,738</u>
Total Uses	\$29,117,753

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: 82.5 out of 128
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$22,000,000 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	0
Site Amenities	10	10	2.5
Service Amenities	10	10	5
Sustainable Building Methods	8	8	0
New Construction	10	10	10
Negative Points	NA	NA	0
Total Points	128	108	82.5

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.