

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: Housing Authority of the City of Fresno

Allocation Amount Requested: Tax-exempt \$17,730,000

Project Name: **Parc Grove Commons Phase II Apartments**
Project Address: Intersection of Fresno Avenue and Clinton Avenue
Project City, County, Zip Code: Fresno, Fresno, 93703

Project Sponsor Information:

Name: Parc Grove Commons II, LP (Silvercrest Inc. and
Housing Authority of the City of Fresno)
Principals: Darrell G. Tuckness, Kathleen Paley and Aaron
Osborne

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Citigroup Global Markets Inc.
TEFRA Hearing: November 14, 2006

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 214, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
23% (50 units) restricted to 50% or less of area median income households; and
77% (164 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3 and 4 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$33,768,009
Estimated Hard Costs per Unit:	\$ 114,715 (\$24,549,109/214 units)
Estimated per Unit Cost:	\$ 157,794 (\$33,768,010/214 units)
Allocation per Unit:	\$ 82,850 (\$17,730,000/214 units)
Allocation per Restricted Rental Unit:	\$ 82,850 (\$17,730,000/214 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$17,730,000	\$ 8,275,684
Deferred Developer Fee	\$ 0	\$ 1,200,000
LIH Tax Credit Equity	\$ 7,030,737	\$12,005,256
AHP Subsidy	\$ 1,000,000	\$ 1,000,000
Direct & Indirect Public Funds	\$ 1,287,069	\$11,287,069
Construction Loan	<u>\$ 6,720,203</u>	<u>\$ 0</u>
Total Sources	\$33,768,009	\$33,768,009

Uses of Funds:	
Acquisition	\$ 1,760,776
Relocation	\$ 46,336
New Construction	\$23,518,109
Architectural	\$ 685,231
Survey & Engineering	\$ 37,069
Contingency Costs	\$ 1,181,000
Construction Period Expenses	\$ 970,554
Permanent Financing Expenses	\$ 114,543
Legal Fees	\$ 155,000
Capitalized Reserves	\$ 630,737
Reports & Studies	\$ 12,950
Developer Costs	\$ 2,515,000
Other	<u>\$ 2,140,704</u>
Total Uses	\$33,768,009

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: 94.2 out of 128
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$17,730,000 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	32
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	6.7
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	10
Negative Points	NA	NA	0
Total Points	128	108	94.2

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.