

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 26, 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 County of Monterey

Allocation Amount Requested: Tax-exempt \$16,992,349

Project Name: Benito Street Affordable Housing Community Apartments

Project Address: 439 Benito Street
Project City, County, Zip Code: Soledad, Monterey, 93960

Project Sponsor Information:

Name: Benito Street Affordable Housing, L.P.
(Soledad Affordable Housing, LLC [Housing Authority of the County of Monterey and Housing Authority of Soledad])
Principals: James Nakashima and Lynn Santos for the Housing Authority of the County of Monterey; Phillip Chavez and Julia Cuellar for the Housing Authority of Soledad

Project Financing Information:

Bond Counsel: Quint & Thimmig LLP
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Union Bank of California
TEFRA Hearing: May 16, 2007

Description of Proposed Project:

State Ceiling Pool: Rural
Total Number of Units: 69, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
77% (53 units) restricted to 50% or less of area median income households; and
23% (16 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3, 4 and 5 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$24,167,611 ¹
Estimated Hard Costs per Unit:	\$ 207,527 (\$14,319,363/69 units)
Estimated per Unit Cost:	\$ 328,886 (\$22,693,134/69 units)
Allocation per Unit:	\$ 246,266 (\$16,992,349/69 units)
Allocation per Restricted Rental Unit:	\$ 246,266 (\$16,992,349/69 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$16,992,349	\$ 5,346,403
Developer Equity	\$ 110	\$ 0
Deferred Developer Fee	\$ 0	\$ 1,710,000
LIH Tax Credit Equity	\$ 1,081,898	\$ 9,016,817
Direct & Indirect Public Funds	\$ 3,500,000	\$ 7,666,096
Other	<u>\$ 0</u>	<u>\$ 429,295</u>
Total Sources	\$21,574,357	\$24,167,611

Uses of Funds:	
On-Site & Off-Site Costs	\$ 360,000
Hard Construction Costs	\$14,894,905
Architect & Engineering Fees	\$ 400,000
Contractor Overhead & Profit	\$ 1,112,520
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 505,263
Capitalized Interest	\$ 808,896
Other Soft Costs	<u>\$ 3,586,027</u>
Total Uses	\$24,167,611

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: 93 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$16,992,349 in tax-exempt bond allocation.

¹ \$24,167,611 includes the cost of non-residential buildings as well as the cost of residential buildings

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]	0
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	10
Sustainable Building Methods	8	8	8
New Construction	10	10	10
Negative Points	NA	NA	NA
Total Points	128	108	93

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.