

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 5, 2007
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Brady Hill .

Applicant: Community Development Commission of Mendocino County

Allocation Amount Requested: Tax-exempt \$4,500,000

Project Name: **Holly Ranch Village Apartments**
Project Address: 33001 to 33061 Lassen Drive
Project City, County, Zip Code: Fort Bragg, Mendocino, 95437

Project Sponsor Information:
Name: Building Better Neighborhoods, Inc.
Principals: Todd Crabtree, Gerald Cox and Glory Breese

Project Financing Information:
Bond Counsel: Quint & Thimmig LLP
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Savings Bank of Mendocino County
TEFRA Hearing: February 13, 2007

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 25 with no manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
40% (10 units) restricted to 50% or less of area median income households; and
60% (15 units) restricted to 60% or less of area median income households.
Unit Mix: 2 bedrooms (apartments and single family home rentals)

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$8,510,254
Estimated Hard Costs per Unit:	\$ 188,860 (\$4,721,500/25 units)
Estimated per Unit Cost:	\$ 340,410 (\$8,510,254/25 units)
Allocation per Unit:	\$ 180,000 (\$4,500,000/25 units)
Allocation per Restricted Rental Unit:	\$ 180,000 (\$4,500,000/25 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$4,500,000	\$1,550,000
Deferred Developer Fee	\$ 0	\$ 336,016
LIH Tax Credit Equity	\$ 500,000	\$2,883,422
Direct & Indirect Public Funds	<u>\$2,726,050</u>	<u>\$3,740,816</u>
Total Sources	\$7,726,050	\$8,510,254

Uses of Funds:	
Land Purchase	\$ 877,791
On-Site & Off-Site Costs	\$ 925,000
Hard Construction Costs	\$3,796,500
Architect & Engineering Fees	\$ 362,000
Contractor Overhead & Profit	\$ 362,000
Developer Fee	\$ 864,204
Cost of Issuance	\$ 82,434
Capitalized Interest	\$ 139,100
Other Soft Costs	<u>\$1,101,225</u>
Total Uses	\$8,510,254

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: 80.5 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$4,500,000 in tax-exempt bond allocation on a carryforward basis.

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	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	2.5
Service Amenities	10	10	0
Sustainable Building Methods	8	8	8
New Construction	10	10	10
Negative Points	NA	NA	NA
Total Points	128	108	80.5

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.