

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 23, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Brady Hill .

Applicant: County of Contra Costa

Allocation Amount Requested: Tax-exempt \$16,250,000

Project Name: East Leland Family Apartments
Project Address: 2555 East Leland Road
Project City, County, Zip Code: Pittsburg, Contra Costa, 94565

The proposed Project is located in a Community Revitalization area, more specifically in the Los Medanos Community Development Project Area.

Project Sponsor Information:

Name: Mercy Housing California XXXVIII (Mercy Housing West and South of Market Mercy Housing)
Principals: Dick Banks, Lillian Murphy, Jane Graf, Valerie Agostino, Greg Sparks, Ben Phillips, Janet Falk, Amy Bayley

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Citicorp Municipal Mortgage Inc.
TEFRA Hearing: October 4, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 62, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
40% (25 units) restricted to 50% or less of area median income households; and
60% (37 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:	\$25,614,852
Estimated Hard Costs per Unit:	\$ 231,051 (\$14,325,136/62 units)
Estimated per Unit Cost:	\$ 413,143 (\$25,614,852/62 units)
Allocation per Unit:	\$ 262,097 (\$16,250,000/62 units)
Allocation per Restricted Rental Unit:	\$ 262,097 (\$16,250,000/62 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$16,250,000	\$ 991,700
Developer Equity	\$ 0	\$ 1,089,500
Deferred Developer Fee	\$ 0	\$ 200,000
LIH Tax Credit Equity	\$ 1,500,000	\$11,483,730
Direct & Indirect Public Funds	<u>\$ 5,830,854</u>	<u>\$11,849,922</u>
Total Sources	\$23,580,854	\$25,614,852

Uses of Funds:	
Land Purchase (title only)	\$ 7,000
On-Site & Off-Site Costs	\$ 1,415,959
Hard Construction Costs	\$12,909,177
Architect & Engineering Fees	\$ 1,036,539
Contractor Overhead & Profit	\$ 990,892
Developer Fee	\$ 2,200,000
Cost of Issuance	\$ 202,087
Capitalized Interest	\$ 1,367,736
Other Soft Costs	<u>\$ 5,485,462</u>
Total Uses	\$25,614,852

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 \$16,250,000 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]	0
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	5
Site Amenities	10	10	2.5
Service Amenities	10	10	5
Sustainable Building Methods	8	8	3
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.