

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 Walter Akiyama.

Applicant: California Municipal Finance Authority

Allocation Amount Requested: Tax-exempt \$4,096,000

Project Name: Palisades Apartments
Project Address: 40 & 42 Brannan Street
Project City, County, Zip Code: Calistoga, Napa, 94515

Project Sponsor Information:
Name: Palisades Investors, L.P.
(Calistoga Affordable Housing, Inc. and
Burbank Housing Development Corporation)
Principals: Bob Fiddaman, John Lowry, Susanne Deiss-Costanzo,
Erica Roetman Sklar, and Chuck Cornell

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Silicon Valley Bank
TEFRA Hearing: December 4, 2007

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 23, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
61% (14 units) restricted to 50% or less of area median income households; and
39% (9 units) restricted to 60% or less of area median income households.
Unit Mix: 1 and 2 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$7,647,177
Estimated Hard Costs per Unit:	\$ 186,910 (\$4,298,929/23 units)
Estimated per Unit Cost:	\$ 332,486 (\$7,647,177/23 units)
Allocation per Unit:	\$ 178,087 (\$4,096,000/23 units)
Allocation per Restricted Rental Unit:	\$ 178,087 (\$4,096,000/23 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$4,096,000	\$ 423,000
Developer Equity	\$ 228,007	\$ 228,007
LIH Tax Credit Equity	\$ 10,000	\$3,386,543
Direct & Indirect Public Funds	\$2,895,560	\$3,609,627
Other (Costs deferred until Perm)	<u>\$ 417,610</u>	<u>\$ 0</u>
Total Sources	\$7,647,177	\$7,647,177

Uses of Funds:	
On-Site & Off-Site Costs	\$ 385,000
Hard Construction Costs	\$3,913,929
Architect & Engineering Fees	\$ 254,350
Contractor Overhead & Profit	\$ 484,000
Developer Fee	\$ 926,906
Cost of Issuance	\$ 150,251
Capitalized Interest	\$ 278,982
Other Soft Costs	<u>\$1,253,759</u>
Total Uses	\$7,647,177

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: 88 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$4,096,000 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	0
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	0
Total Points	128	108	88

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.