THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 26, 2008
Staff Report
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 Street and Clinton Avenue
Project City, County, Zip Code: Fresno, Fresno, 93703

Project Sponsor Information:

Name: Parc Grove Commons II LP (Housing Authority of the City of Fresno and Silvercrest, Inc.)

Principals: Reuben Scott, William Leifer, Sam Simonian, John Teixeira, James Cotton, John Paul Youel, Adrian Jones and Preston Prince for the Housing Authority of the City of Fresno; Kay Koelsch, Reuben Scott, Preston Prince, John Paul Youel, Morris Kyle, Jr., and Aaron Osborne for Silvercrest, Inc.

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: PNC Multifamily Capital
TEFRA Hearing: January 29, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 213, plus 2 manager units
Type: New Construction
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
31% (65 units) restricted to 50% or less of area median income households; and
69% (148 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3 and 4 bedrooms

Term of Restrictions: <u>55 years</u>

Estimated Total Development Cost:	$33,641,955
Estimated Hard Costs per Unit:	$ 96,854 ($20,629,920/213 units)
Estimated per Unit Cost:	$ 157,942 ($33,641,595/213 units)
Allocation per Unit:	$ 83,239 ($17,730,000/213 units)
Allocation per Restricted Rental Unit:	$ 83,239 ($17,730,000/213 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	$17,730,000	$ 8,375,000
Deferred Developer Fee	$ 2,400,000	$ 688,585
LIH Tax Credit Equity	$ 3,599,401	$11,998,004
AHP Subsidy	$ 0	$ 1,000,000
Direct & Indirect Public Funds	$ 1,380,366	$11,580,366
Construction Loan	$ 7,901,451	$ 0
Other	$ 630,737	$ 0
Total Sources	$33,641,955	$33,641,955

Uses of Funds:	
Acquisition	$ 1,380,366
Relocation	$ 75,000
New Construction	$23,518,109
Architectural	$ 685,231
Survey & Engineering	$ 37,069
Contingency Costs	$ 1,394,016
Construction Period Expenses	$ 1,122,772
Permanent Financing Expenses	$ 16,500
Legal Fees	$ 188,500
Capitalized Reserves	$ 630,737
Reports & Studies	$ 52,950
Developer Costs	$ 2,400,000
Other	$ 2,140,705
Total Uses	$33,641,955

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 $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	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	0
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.