

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 Sarah Lester.

Applicant: California Municipal Finance Authority

Allocation Amount Requested: Tax-exempt \$14,000,000

Project Name: Montclair Senior Housing Project
Project Address: 10355 Mills Avenue
Project City, County, Zip Code: Montclair, San Bernardino, 91763

The proposed project is located in Community Revitalization area, more specifically the Redevelopment Project Area No. V (San Antonio Gateway).

Project Sponsor Information:

Name: Montclair Senior Housing Partners, LP (Southern California Housing Corporation of Inland Empire)
Principals: Rebecca F. Clark and Rick Whittingham

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo Bank
TEFRA Hearing: February 19, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 84, plus 1 manager's unit
Type: New Construction
Type of Units: Senior

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
20% (17 units) restricted to 50% or less of area median income households; and
80% (67 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$18,526,141
Estimated Hard Costs per Unit:	\$ 147,685 (\$12,405,543/84 units)
Estimated per Unit Cost:	\$ 220,549 (\$18,526,141/84 units)
Allocation per Unit:	\$ 166,667 (\$14,000,000/84 units)
Allocation per Restricted Rental Unit:	\$ 166,667 (\$14,000,000/84 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$14,000,000	\$ 0
LIH Tax Credit Equity	\$ 1,887,020	\$ 5,996,751
Direct & Indirect Public Funds	<u>\$ 1,925,280</u>	<u>\$12,529,390</u>
Total Sources	\$17,812,300	\$18,526,141

Uses of Funds:	
Land Purchase	\$ 813,280
On-Site & Off-Site Costs	\$ 268,000
Hard Construction Costs	\$12,137,543
Architect & Engineering Fees	\$ 600,000
Contractor Overhead & Profit	\$ 768,000
Developer Fee	\$ 1,000,000
Cost of Issuance	\$ 36,851
Capitalized Interest	\$ 1,357,861
Other Soft Costs (Marketing, etc.)	<u>\$ 1,544,606</u>
Total Uses	\$18,526,141

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: 84.5 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$14,000,000 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	30
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]	1.5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	15
Site Amenities	10	10	10
Service Amenities	10	10	0
Sustainable Building Methods	8	8	3
New Construction	10	10	10
Negative Points	NA	NA	0
Total Points	128	108	84.5

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.