

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 Crystal Alvarez.

Applicant: City of Santa Rosa

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

Project Name: Rowan Court Apartments
Project Address: 2051 West Steele Lane
Project City, County, Zip Code: Santa Rosa, Sonoma, 95403

Project Sponsor Information:
Name: Rowan Court, L.P. (Burbank Housing Development Corporation)
Principals: John Lowry, Chuck Cornell, Cindi Johnson and Nick Stewart

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Silicon Valley Bank
TEFRA Hearing: January 15, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 61, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (61 units) restricted to 50% or less of area median income households; and
Unit Mix: 1, 2 and 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$22,003,353
Estimated Hard Costs per Unit:	\$ 199,719 (\$12,182,870/61 units)
Estimated per Unit Cost:	\$ 360,711 (\$22,003,353/61 units)
Allocation per Unit:	\$ 229,508 (\$14,000,000/61 units)
Allocation per Restricted Rental Unit:	\$ 229,508 (\$14,000,000/61 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$14,000,000	\$ 775,000
Developer Equity	\$ 1,200,000	\$ 1,200,000
Deferred Developer Fee	\$ 1,455,267	\$ 578,000
LIH Tax Credit Equity	\$ 10,000	\$ 8,758,428
Direct & Indirect Public Funds	\$ 5,338,086	\$10,488,031
Other	\$ 0	\$ 203,894
Total Sources	\$22,003,353	\$22,003,353

Uses of Funds:	
Land Purchase	\$ 1,681,500
On-Site & Off-Site Costs	\$ 1,764,455
Hard Construction Costs	\$10,418,415
Architect & Engineering Fees	\$ 797,216
Contractor Overhead & Profit	\$ 602,659
Developer Fee	\$ 2,400,000
Cost of Issuance	\$ 226,450
Capitalized Interest	\$ 686,084
Other Soft Costs	\$ 3,426,574
Total Uses	\$22,003,353

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: 90.5 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	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	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
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	90.5

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.