

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 \$6,740,000

Project Name: Rohlffs Manor III Apartments
Project Address: 2400 Fair Drive
Project City, County, Zip Code: Napa, Napa, 94558

Project Sponsor Information:

Name: Rohlffs Manor Associates II, LP (EAH Bay Area Community, LLC)
Principals: JoAnne Fabian, Mary Murtagh and Matt Steinle

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Union Bank of California, N.A.
TEFRA Hearing: February 19, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 208, plus 1 manager's unit
Type: Acquisition and Rehabilitation
Type of Units: Senior

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
58% (120 units) restricted to 50% or less of area median income households; and
42% (88 units) restricted to 60% or less of area median income households.
Unit Mix: Studio and 1 bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$11,229,214
Estimated Hard Costs per Unit:	\$ 12,999 (\$2,703,839/208 units)
Estimated per Unit Cost:	\$ 53,987 (\$11,229,214/208 units)
Allocation per Unit:	\$ 32,404 (\$6,740,000/208 units)
Allocation per Restricted Rental Unit:	\$ 32,404 (\$6,740,000/208 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$6,740,000	\$ 5,129,402
Developer Equity	\$ 156,618	\$ 156,618
LIH Tax Credit Equity	\$ 464,992	\$ 3,632,750
Direct & Indirect Public Funds	\$1,106,344	\$ 1,106,344
Other(Seller Loan & NOI)	<u>\$1,204,100</u>	<u>\$ 1,204,100</u>
Total Sources	\$9,672,054	\$11,229,214

Uses of Funds:	
Acquisition Cost	\$ 4,875,000
On-Site & Off-Site Costs	\$ 10,000
Hard Construction Costs	\$ 2,693,839
Architect & Engineering Fees	\$ 197,000
Contractor Overhead & Profit	\$ 359,585
Developer Fee	\$ 1,289,016
Relocation	\$ 63,750
Cost of Issuance	\$ 116,376
Capitalized Interest	\$ 285,938
Other Soft Costs (Marketing, etc.)	<u>\$ 1,338,710</u>
Total Uses	\$11,229,214

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: 62.5 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$6,740,000 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	0
Leveraging	10	10	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	2.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	128	108	62.5

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.