

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: County of Contra Costa

Allocation Amount Requested: Tax-exempt \$10,000,000

The amount of allocation requested is supplemental to the \$125,000,000 of allocation the Project received in December 2005. According to the Project Sponsor, additional allocation is needed due to increased cost of construction material.

Project Name: Pleasant Hill Bart Transit Village
Project Address: 1365 Treat Blvd.
Project City, County, Zip Code: Walnut Creek, Contra Costa, 94956

The proposed project is located in a Community Revitalization area, more specifically the Pleasant Hill BART Station Area Redevelopment Project Area.

Project Sponsor Information:
Name: Pleasant Hill Transit Village Associates, LLC
Principals: Mark Farrar, Sean Jeffries, and Phillip Aarons

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Citigroup Corporate and Investment Bank
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citicorp Municipal Mortgage, Inc
TEFRA Hearing: October 23, 2007

Description of Proposed Project:
State Ceiling Pool: Mixed Income
Total Number of Units: 447, plus 2 manager units
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 20%
20% (91 units) restricted to 50% or less of area median income households.
Unit Mix: Studio, 1 and 2 bedrooms

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.

Recommendation:

Staff recommends that the Committee approve the supplemental request of \$10,000,000 in tax-exempt bond allocation.

REVISED SOURCES AND USES

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$126,000,000	\$126,000,000
Taxable Bond Proceeds	\$ 9,000,000	\$ 9,000,000
Developer Equity	\$ 15,958,659	\$ 15,958,659
LIH Tax Credit Equity	<u>\$ 4,458,115</u>	<u>\$ 4,458,115</u>
Total Sources	\$155,416,774	\$155,416,774
 Uses of Funds:		
Land Costs	\$ 3,499,580	
On-Site & Off-Site Costs	\$ 11,240,219	
Hard Construction Costs	\$ 97,089,100	
Architect & Engineering Fees	\$ 5,376,401	
Contractor Overhead & Profit	\$ 2,587,501	
Developer Fee	\$ 1,606,000	
Cost of Issuance	\$ 13,412,460	
Capitalized Interest	\$ 3,415,460	
Other Soft Costs	<u>\$ 17,190,300</u>	
Total Uses	\$155,416,774	