

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 28, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Crystal Alvarez

Applicant: Community Development Commission of Mendocino County

Allocation Amount Requested: Tax-exempt \$4,750,000

Project Name: **Clara Court Apartments**
Project Address: 600 N. Orchard Avenue
Project City, County, Zip Code: Ukiah, Mendocino, 95482

Project Sponsor Information:
Name: Rural Communities Housing Development Corporation
Principals: Duane Hill, Lois Goforth, Rowland Mosser, and Roberto Muniz

Project Financing Information:
Bond Counsel: Quint & Thimmig, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Bank of America, N.A.
TEFRA Hearing: June 19, 2007

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 32, plus 0 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
41% (13 units) restricted to 50% or less of area median income households; and
59% (19 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, and 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$8,798,290
Estimated Hard Costs per Unit:	\$ 140,050 (\$5,411,601/32 units)
Estimated per Unit Cost:	\$ 274,947 (\$8,798,290/32 units)
Allocation per Unit:	\$ 148,438 (\$4,750,000/32 units)
Allocation per Restricted Rental Unit:	\$ 148,438 (\$4,750,000/32 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$4,750,000	\$ 850,000
Deferred Developer Fee	\$ 0	\$ 210,958
LIH Tax Credit Equity	\$ 700,000	\$3,058,229
NeighborWorks	\$ 150,000	\$ 150,000
RCHDC Loan	\$ 0	\$ 525,000
Direct & Indirect Public Funds	<u>\$2,547,500</u>	<u>\$4,004,103</u>
Total Sources	\$8,147,500	\$8,798,290

Uses of Funds:	
Land Purchase	\$ 430,000
On-Site & Off-Site Costs	\$ 930,000
Hard Construction Costs	\$4,481,601
Architect & Engineering Fees	\$ 270,000
Contractor Overhead & Profit	\$ 343,627
Developer Fee	\$1,027,030
Cost of Issuance	\$ 80,625
Capitalized Interest	\$ 220,988
Other Soft Costs	<u>\$1,014,419</u>
Total Uses	\$8,798,290

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: 85.5 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$4,750,000 in tax-exempt bond allocation, of which \$4,500,000 million of the allocation is on a carryforward basis.

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	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	85.5

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.