

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 John Weir

Applicant: Housing Authority of the County of Santa Clara

Allocation Amount Requested: Tax-exempt \$24,963,000

Project Name: Rincon Gardens Apartments
Project Address: 400 West Rincon Avenue
Project City, County, Zip Code: Campbell, Santa Clara, 95008

Project Sponsor Information:

Name: Housing Authority of the County of Santa Clara

Principals: Alex Sanchez, Executive Director; Candace Capogrossi and Jacque Hansen, Deputy Executive Directors; Bakulesh Patel, Director of Finance.

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Washington Mutual Bank
TEFRA Hearing: March 11, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 198, plus 2 manager units
Type: Acquisition and Rehabilitation
Type of Units: Senior

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
10% (20 units) restricted to 50% or less of area median income households; and
90% (178 units) restricted to 60% or less of area median income households.
Unit Mix: 1 and 2 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost: \$ 46,071,313
Estimated Hard Costs per Unit: \$ 106,585 (\$21,103,896/198 units)
Estimated per Unit Cost: \$ 232,683 (\$46,071,313/198 units)
Allocation per Unit: \$ 126,076 (\$24,963,000/198 units)
Allocation per Restricted Rental Unit: \$ 126,076 (\$24,963,000/198 units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$24,963,000	\$15,449,000
LIH Tax Credit Equity	\$ 4,965,694	\$16,552,313
Direct & Indirect Public Funds	<u>\$15,670,000</u>	<u>\$14,070,000</u>
Total Sources	\$45,598,694	\$46,071,313

Uses of Funds:	
Acquisition Cost	\$16,170,000
Hard Construction Costs	\$21,103,896
Architect & Engineering Fees	\$ 2,565,000
Contractor Overhead & Profit	\$ 844,156
Developer Fee	\$ 1,400,000
Cost of Issuance	\$ 267,315
Capitalized Interest	\$ 1,249,553
Other Soft Costs	<u>\$ 2,471,393</u>
Total Uses	\$46,071,313

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: (65.5 out of 128)
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$24,963,000 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	25
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]	0
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	10
Sustainable Building Methods	8	8	8
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	128	108	65.5

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.