

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: California Statewide Communities Development Authority

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

Project Name: St. Marks Apartments
Project Address: 394 12th Street
Project City, County, Zip Code: Oakland, Alameda, 94607

The proposed Project is located in a Community Revitalization Area, more specifically the Downtown Oakland Redevelopment Area.

Project Sponsor Information:

Name: Victoria Investors, LTD. IV (Ron Nelson and Foundation for Affordable Housing)
Principals: Ron Nelson, Deborrah Willard, Anjie Ponce, Tom Willard and Kevin Dalla Betta

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: RBC Capital Markets
Credit Enhancement Provider: RBC Capital Markets / Freddie Mac
Private Placement Purchaser: Not Applicable
TEFRA Hearing: April 29, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 102, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Senior

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
10% (11 units) restricted to 50% or less of area median income households; and
90% (91 units) restricted to 60% or less of area median income households.
Unit Mix: Studio and 1 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$26,385,247
Estimated Hard Costs per Unit:	\$ 46,554 (\$4,748,471/102 units)
Estimated per Unit Cost:	\$ 258,679 (\$26,385,247/102 units)
Allocation per Unit:	\$ 235,294 (\$24,000,000/102 units)
Allocation per Restricted Rental Unit:	\$ 235,294 (\$24,000,000/102 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$24,000,000	\$12,100,000
Deferred Developer Fee	\$ 1,071,240	\$ 1,071,240
LIH Tax Credit Equity	\$ 0	\$ 3,049,263
Seller Carry-back Note/ Equity	<u>\$ 1,314,007</u>	<u>\$10,164,744</u>
Total Sources	\$26,385,247	\$26,385,247

Uses of Funds:	
Land Purchase	\$17,000,000
Hard Construction Costs	\$ 4,748,471
Architect & Engineering Fees	\$ 100,000
Contractor Overhead & Profit	\$ 633,129
Developer Fee	\$ 1,071,240
Cost of Issuance	\$ 630,000
Capitalized Interest	\$ 1,200,000
Other Soft Costs	<u>\$ 1,002,407</u>
Total Uses	\$26,385,247

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: 68 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$24,000,000 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	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]	10
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	15	15	15
Site Amenities	10	10	5
Service Amenities	10	10	0
Sustainable Building Methods	8	8	8
New Construction	10	10	0
Negative Points	NA	NA	NA
Total Points	128	108	68

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.