

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 16, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Crystal Alvarez

Applicant: Contra Costa County

Allocation Amount Requested: Tax-exempt \$3,000,000

Project Name: Casa Adobe Apartments
Project Address: 1924 Church Lane
Project City, County, Zip Code: San Pablo, Contra Costa, 94806

The proposed Project is located in a Community Revitalization area, more specifically in the Ten Township and Legacy Redevelopment Project Area.

Project Sponsor Information:
Name: San Pablo Senior Associates II (EAH-San Pablo)
Principals: Mary Murtagh, Alvin Bonnett, Peggy Franklin, Matt Steinle, Mike Farrel and Jeff Kohler

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Union Bank of California, N.A.
TEFRA Hearing: May 12, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 53, 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%
81% (43 units) restricted to 50% or less of area median income households; and
19% (10 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$5,313,647	
Estimated Hard Costs per Unit:	\$18,083 (\$958,400 / 53 units)
Estimated per Unit Cost:	\$100,257 (\$5,313,647 / 53 units)
Allocation per Unit:	\$56,604 (\$3,000,000 / 53 units)
Allocation per Restricted Rental Unit:	\$56,604 (\$3,000,000 / 53 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$3,000,000	\$1,991,140
Seller Take Back	\$1,442,041	\$1,442,041
Developer Equity	\$1,000	\$1,000
LIH Tax Credit Equity	\$75,550	\$1,577,200
Constuction Period NOI	\$121,114	\$121,114
Direct & Indirect Public Funds	<u>\$181,152</u>	<u>\$181,152</u>
Total Sources	<u>\$4,820,857</u>	<u>\$5,313,647</u>

Uses of Funds:	
Acquisition	\$3,055,000
Rehbilitation	\$1,136,398
Architect	\$40,000
Survey & Engineering	\$10,000
Contingency Costs	\$196,260
Construction Period Expenses	\$178,054
Permanent Financing Expenses	\$57,500
Legal Fees	\$92,000
Capitalized Reserves	\$95,957
Reports & Studies	\$40,000
Developer Costs	\$357,274
Other	<u>\$55,204</u>
	<u>\$5,313,647</u>

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: 81.3 out of 138
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$3,000,000 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	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	8.3
Exceeding Minimum Term of Restrictions	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	3
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	138	118	81.3

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.