

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 Richard C. Fischer.

Applicant: Contra Costa County

Allocation Amount Requested: Tax-exempt \$15,975,000

Project Name: Los Medanos Village Apartments
Project Address: Crestview Drive and Frontage Road
Project City, County, Zip Code: Pittsburg, Contra Costa, 94565

Located in the Los Medanos Project Community Revitalization Area.

Project Sponsor Information:
Name: Resources for Community Development,
Principals: Daniel Sawislak

Project Financing Information:
Bond Counsel: Quint & Thimmig, LLP
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Wells Fargo, N.A.
TEFRA Hearing: April 22, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 70, plus 1 manager unit
Type: New Construction
Type of Units: Family/ Special Needs

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (70 units) restricted to 50% or less of area median income households.
Unit Mix: 1-, 2-, and 3-bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost: \$26,005,047

Estimated Hard Costs per Unit:	\$ 204,073 (\$14,285,088/70 units)
Estimated per Unit Cost:	\$ 371,501 (\$26,005,047/70 units)
Allocation per Unit:	\$ 228,214 (\$15,975,000/70 units)
Allocation per Restricted Rental Unit:	\$ 228,214 (\$15,975,000/70 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$15,975,000	\$ 722,500
Developer Equity	\$ 1,300,000	\$ 1,300,000
Deferred Developer Fee	\$ 161,500	\$ 161,500
LIH Tax Credit Equity	\$ 50,000	\$10,332,900
Deferred Costs and Interest	\$ 912,700	\$ 126,106
Direct & Indirect Public Funds	<u>\$ 7,605,848</u>	<u>\$13,362,042</u>
Total Sources	\$26,005,048	\$26,005,048

Uses of Funds:	
Acquisition	\$ 4,468
New Construction	\$16,372,615
Architectural	\$ 968,531
Survey & Engineering	\$ 15,000
Contingency Costs	\$ 1,257,077
Construction Period Expenses	\$ 1,353,712
Permanent Financing Expenses	\$ 15,000
Legal Fees	\$ 135,500
Capitalized Reserves	\$ 327,522
Reports & Studies	\$ 85,000
Developer Costs	\$ 2,500,000
Other	<u>\$ 2,970,622</u>
Total Uses	\$26,005,047

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: 107.5 out of 148

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$15,975,000 in tax-exempt bond allocation.

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]	0
Exceeding Minimum Term of Restrictions	10	10	10
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	15
Site Amenities	10	10	7.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	0
New Construction	10	10	10
Negative Points	NA	NA	NA
Total Points	148	128	107.5

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.