

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 Sarah Lester.

Applicant: California Housing Finance Agency

Allocation Amount Requested: **Tax-exempt** \$1,475,000

The amount of allocation requested is supplemental to the \$12,165,000 of allocation the Project received in December 2005. According to the Project Sponsor, additional allocation is needed to meet the 50% test consideration of their 4% tax credits.

Project Name: **Fireside Apartments**
Project Address: 115 Shoreline Highway
Project City, County, Zip Code: Mill Valley, Marin, 94941

Project Sponsor Information:
Name: Fireside Affordable Housing Associates, LP (Citizens Housing Corporation and Fireside Housing, Inc.)
Principals: James Buckley, Joanna Michel (for Citizens Housing Corporation and Fireside Housing, Inc.), and Daniel Lopez (for Fireside Housing, Inc.)

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Merrill Lynch & Co.
Credit Enhancement Provider: California Housing Finance Agency
TEFRA Hearing: June 6, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 49, plus 1 manager's unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
86% (42 units) restricted to 50% or less of area median income households; and
14% (7 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1 and 2 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$26,192,732	
Estimated Hard Costs per Unit:	\$257,432	(\$12,614,175 / 49 units)
Estimated per Unit Cost:	\$534,546	(\$26,192,732 / 49 units)
Allocation per Unit:	\$248,367	(\$13,640,000 / 49 units)
Allocation per Restricted Rental Unit:	\$248,367	(\$13,640,000 / 49 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$13,640,000	\$1,600,000
Developer Equity	\$1,675,000	\$1,675,000
LIH Tax Credit Equity	\$1,127,854	\$9,514,057
Direct & Indirect Public Funds	\$7,880,575	\$12,187,797
Other (Foundation Grants)	\$305,000	\$305,000
Income from Operations	\$63,641	\$63,641
Deferred Development Fee	\$0	\$836,541
Accrued/Deferred Interest	\$10,696	\$10,696
Total Sources	\$24,702,766	\$26,192,732

Uses of Funds:	
Land Purchase	\$4,196,980
On-Site & Off-Site Costs	\$2,317,576
Hard Construction Costs	\$10,242,599
Architect & Engineering Fees	\$1,073,708
Contractor Overhead & Profit	\$1,498,786
Developer Fee	\$1,250,000
Capitalized Interest	\$902,837
Other Soft Costs	\$4,710,246
Total Uses	\$26,192,732

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: 90.5 out of 138

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$1,475,000 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	35	15	35
Mixed Income Project			
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	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	3
New Construction	10	10	10
Negative Points	NA	NA	0
Total Points	138	118	90.5

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.