

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 24, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: County of Contra Costa

Allocation Amount Requested: **Tax-exempt:** \$30,000,000
Taxable-debt: \$1,750,000

Project Information:

Name: Montclair Place Apartments
Project Address: 600 Wilbur Avenue
Project City, County, Zip Code: Antioch, Contra Costa, 94509

The proposed Project is located in a Community Revitalization area, more specifically in the City of Antioch's Redevelopment Area #4 .

Project Sponsor Information:

Name: Montclair Place, L.P. (Montclair Place 268, LLC and JHC-Montclair, L.P.)
Principals: Gary Freedman, Cristina Agra-Hughes, Bryan Ezralow, Marc Ezralow, David Michael Leff, Darren Horning, Gary Whitesides and Laura Archuleta

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Private Placement Purchaser: Citigroup Global Markets Inc.
TEFRA Hearing: July 8, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 266, plus 2 manager's units
Type: Acquisition and Rehabilitation
Type of Units: Family/Federally Assisted At-Risk

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
11% (28 units) restricted to 50% or less of area median income households.
89% (238 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3, bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$43,767,360	
Estimated Hard Costs per Unit:	\$15,113	(\$4,020,000 / 266 units)
Estimated per Unit Cost:	\$164,539	(\$43,767,360 / 266 units)
Allocation per Unit:	\$112,782	(\$30,000,000 / 266 units)
Allocation per Restricted Rental Unit:	\$112,782	(\$30,000,000 / 266 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 30,000,000	\$ 30,000,000
Taxable Bond Proceeds	\$ 1,750,000	\$ 1,750,000
Deferred Developer Fee	\$	\$ 507,652
LIH Tax Credit Equity	\$ 9,033,739	\$ 11,509,708
Total Sources	\$ 40,783,739	\$ 43,767,360

Uses of Funds:	
Acquisition Costs	\$ 33,835,000
Rehabilitation Costs	\$ 4,582,800
Relocation	\$ 50,000
Architectural	\$ 15,000
Survey & Engineering	\$ 21,000
Contingency Costs	\$ 533,280
Construction Period Expenses	\$ 590,343
Permanent Financing Expenses	\$ 535,185
Legal Fees	\$ 210,000
Capitalized Reserves	\$ 718,272
Reports & Studies	\$ 34,100
Other	\$ 142,380
Development Costs	\$ 2,500,000
Total Uses	\$ 43,767,360

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: 90.1 out of 138

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$30,000,000 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	10
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	35	15	25
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	0
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	2.1
Exceeding Minimum Term of Restrictions	10	10	10
Community Revitalization Area	15	15	15
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	128	108	90.1

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.