

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: Crystal Alvarez

Applicant: County of Alameda

Allocation Amount Requested: **Tax-exempt:** \$13,055,000

Project Information:

Name: Estabrook Senior Housing Apartments
Project Address: 2103 E. 14th Street
Project City, County, Zip Code: San Leandro, Alameda 94577

Project Sponsor Information:

Name: Estabrook Senior Housing, L.P. (Eden Development, Inc.)
Principals: Timothy Reilly, John Gaffney, Calvin Whitaker, William Vandenburg and Linda Madolini

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: N/A
Credit Enhancement Provider: N/A
Private Placement Purchaser: Silicon Valley Bank
TEFRA Hearing: July 8, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 50, plus 1 manager's unit
Type: New Construction
Type of Units: Senior Citizens

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (50 units) restricted to 50% or less of area median income households.

Unit Mix: 1 bedroom

Term of Restrictions: 30 years

Estimated Total Development Cost:	\$19,609,016	
Estimated Hard Costs per Unit:	\$195,222	(\$9,761,101 / 50 units)
Estimated per Unit Cost:	\$392,180	(\$19,609,016 / 50 units)
Allocation per Unit:	\$261,100	(\$13,055,000 / 50 units)
Allocation per Restricted Rental Unit:	\$261,100	(\$13,055,000 / 50 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 13,055,000	\$ 0
LIH Tax Credit Equity	\$ 0	\$ 7,413,916
Direct & Indirect Public Funds	\$ 3,975,969	\$ 4,885,000
HUD 202 Capital Advance	\$ 0	\$ 7,310,100
Total Sources	\$ 17,030,969	\$ 19,609,016

Uses of Funds:	
Land Purchase	\$ 2,022,000
On & Off Site Costs	\$ 111,000
Hard Construction Costs	\$ 9,650,101
Architect & Engineering Fees	\$ 883,500
Contractor Overhead & Profit	\$ 1,510,759
Developer Fee	\$ 2,249,918
Cost of Issuance	\$ 91,535
Capitalized Interest	\$ 724,785
Other Soft Costs (Marketing, etc.)	\$ 2,365,418
Total Uses	\$ 19,609,016

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: 85 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$13,055,000 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
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Exceeding Minimum Term of Restrictions	10	10	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
Total Points	128	108	85

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.