

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: California Municipal Finance Authority

Allocation Amount Requested: **Tax-exempt:** \$12,265,000

Project Information:

Name: Fabian Way Senior Apartments
Project Address: 3895 Fabian Way
Project City, County, Zip Code: Palo Alto, Santa Clara, 94303

Project Sponsor Information:

Name: Fabian Way Associates, L.P. (Northpoint Housing Inc. [Bridge Housing Corporation])
Principals: Carol Galante, Lydia Tan, Susan Johnson and David Valentine

Project Financing Information:

Bond Counsel: Quint & Thimmig LLP
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Silicon Valley Bank
TEFRA Hearing: June 2, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 55, 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% (55 units) restricted to 50% or less of area median income households.

Unit Mix: 1-bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$19,195,589	
Estimated Hard Costs per Unit:	\$181,173	(\$9,964,528 / 55 units)
Estimated per Unit Cost:	\$349,011	(\$19,195,589 / 55 units)
Allocation per Unit:	\$223,000	(\$12,265,000 / 55 units)
Allocation per Restricted Rental Unit:	\$223,000	(\$12,265,000 / 55 restricted units)

[The Project has total project costs that appear high for the geographic area in which it is located. According to the Project sponsor, the high cost is due to (state reasons)]

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 12,265,000	\$ 0
Taxable Bond Proceeds	\$ 0	\$ 0
Deferred Developer Fee	\$ 0	\$ 349,000
Developer Equity	\$ 2,331,227	\$ 3,265,021
LIH Tax Credit Equity	\$ 50,000	\$ 7,697,000
Direct & Indirect Public Funds	\$ 929,774	\$ 7,884,568
Other	\$ 2,169,575	\$ 0
Total Sources	\$ 17,745,576	\$ 19,195,589

Uses of Funds:	
Land Purchase	\$ 0
On & Off Site Costs	\$ 758,343
Hard Construction Costs	\$ 9,206,185
Architect & Engineering Fees	\$ 1,147,809
Contractor Overhead & Profit	\$ 1,264,929
Developer Fee	\$ 1,400,000
Cost of Issuance	\$ 342,145
Capitalized Interest	\$ 808,310
Other Soft Costs	\$ 4,267,868
Total Uses	\$ 19,195,589

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: 103 out of 138

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$12,265,000 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	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	128	108	103

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.