

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: John Weir

Applicant: California Municipal Finance Authority

Allocation Amount Requested: **Tax-exempt:** \$7,564,000

Project Information:

Name: Senior Manor Apartments
Project Address: 1101 Union Ave & 1050 Jefferson Street
Project City, County, Zip Code: Fairfield, Solano, 94533

The proposed Project is located in a Community Revitalization area, more specifically in the City Center Redevelopment Project Area.

Project Sponsor Information:

Name: Solano Affordable Housing Foundation
Principals: Viola Robertson, G. Ben Hubber, Robert Jones, Clarence Sanders, John Loughmiller and Dennis McCray

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo, N.A.
TEFRA Hearing: May 20th, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 83, plus 1 manager's unit
Type: Acquisition and Rehabilitation
Type of Units: Senior Citizens

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (83 units) restricted to 50% or less of area median income households.
 (0 units) restricted to 60% or less of area median income households.
Unit Mix: 1 and 2 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$12,334,523	
Estimated Hard Costs per Unit:	\$18,428	(\$1,529,556 / 83 units)
Estimated per Unit Cost:	\$148,609	(\$12,334,523 / 83 units)
Allocation per Unit:	\$91,133	(\$7,564,000 / 83 units)
Allocation per Restricted Rental Unit:	\$91,133	(\$7,564,000 / 83 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 7,564,000	\$ 0
Deferred Costs	\$ 575,370	\$ 0
Deferred Developer Fee	\$ 663,382	\$ 663,382
LIH Tax Credit Equity	\$ 100,000	\$ 3,798,370
Direct & Indirect Public Funds	\$ 3,289,000	\$ 7,730,000
Other (NOI)	\$ 142,772	\$ 142,772
Total Sources	\$ 12,334,524	\$ 12,334,524

Uses of Funds:	
Acquisition Costs	\$ 7,730,000
On & Off Site Costs	\$ 416,744
Hard Construction Costs	\$ 1,112,812
Architect & Engineering Fees	\$ 35,000
Contractor Overhead & Profit	\$ 68,373
Developer Fee	\$ 1,503,382
Relocation	\$ 10,000
Cost of Issuance	\$ 175,890
Capitalized Interest	\$ 232,593
Other Soft Costs	\$ 1,049,729
Total Uses	\$ 12,334,523

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: 97.5 out of 128
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$7,564,000 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]	4.5
Gross Rents	5	5	0
Large Family Units	5	5	0
Leveraging	10	10	10
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	97.5

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.