

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 28, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Crystal Alvarez

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$4,760,723

Project Information:
Name: Erna P. Harris Court
Project Address: 1330 University Avenue
Project City, County, Zip Code: Berkeley, Alameda, 94702

Project Sponsor Information:
Name: Resources for Community Development
Principals: Dan Sawislak, Lisa Motoyama, Linda Mackey, Peter Poon and Kate McKean

Project Financing Information:
Bond Counsel: Squire, Sanders & Dempsey L.L.P.
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo Bank, N.A.
TEFRA Hearing: July 22, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 34 units
Type: Acquisition and Rehabilitation
Type of Units: Family/Special Needs

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (34 units) restricted to 50% or less of area median income households.
Unit Mix: Studio & 1 bedroom

Term of Restrictions:
Income and Rent Restrictions: 55 years

Estimated Total Development Cost:	\$	8,979,615	
Estimated Hard Costs per Unit:	\$	57,764	(\$1,963,976 /34 units)
Estimated per Unit Cost:	\$	264,106	(\$8,979,615 /34 units)
Allocation per Unit:	\$	140,021	(\$4,760,723 /34 units)
Allocation per Restricted Rental Unit:	\$	140,021	(\$4,760,723 / 34 units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 4,760,723	\$ 0
Existing Reserves #	\$ 60,253	\$ 60,253
Deferred Developer Fee	\$ 497,377	\$ 0
LIH Tax Credit Equity	\$ 34,023	\$ 1,778,119
Direct & Indirect Public Funds	\$ 2,573,501	\$ 6,087,505
GP Contribution	\$ 1,053,737	\$ 1,053,737
Total Sources	\$ 8,979,614	\$ 8,979,614

Uses of Funds:	
Acquisition Costs	\$ 4,030,000
Rehabilitation Costs	\$ 2,294,359
Relocation	\$ 150,000
Architectural	\$ 195,000
Survey & Engineering	\$ 8,000
Contingency Costs	\$ 405,759
Construction Period Expenses	\$ 547,157
Permanent Financing Expenses	\$ 10,000
Legal Fees	\$ 85,000
Capitalized Reserves	\$ 253,110
Reports & Studies	\$ 29,500
Other (Marketing, etc)	\$ 390,569
Developer Costs	\$ 581,160
Total Uses	\$ 8,979,614

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 \$4,760,723 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:	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 Restrictions	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
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	90.5

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.