

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 25, 2009
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: \$6,300,000

Project Information:

Name: Amistad House Apartments
Project Address: 2050 Delaware Street
Project City, County, Zip Code: Berkeley, Alameda, 94709

Project Sponsor Information:

Name: Amistad House L.P. (Satellite Housing, Inc.)
Principals: Ryan Chao and Scott Smith

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: US Bank, N. A.
TEFRA Hearing: June 10, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 59, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Senior Citizens/Federally Assisted At-Risk

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
12% (7 units) restricted to 50% or less of area median income households.
88% (52 units) restricted to 60% 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:	\$ 12,515,363	
Estimated Hard Costs per Unit:	\$ 17,515	(\$1,033,381 /59 units)
Estimated per Unit Cost:	\$ 212,125	(\$12,515,363 /59 units)
Allocation per Unit:	\$ 106,780	(\$6,300,000 /59 units)
Allocation per Restricted Rental Unit:	\$ 106,780	(\$6,300,000 /59 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 6,300,000	\$ 4,512,000
Seller Take-Back Loan	\$ 3,917,241	\$ 3,917,241
Deferred Developer Fee	\$ 949,491	\$ 949,491
LIH Tax Credit Equity	\$ 235,000	\$ 2,613,437
Direct & Indirect Public Funds	\$ 0	\$ 0
Transfers, Deferred Fees and Reserves	\$ 1,113,631	\$ 523,194
Total Sources	\$ 12,515,363	\$ 12,515,363

Uses of Funds:	
Acquisition Costs	\$ 9,022,933
Hard Construction Costs	\$ 1,033,381
Architect & Engineering Fees	\$ 89,965
Contractor Overhead & Profit	\$ 100,065
Developer Fee	\$ 1,099,491
Cost of Issuance	\$ 226,132
Marketing, etc.	\$ 943,396
Total Uses	\$ 12,515,363

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: 76.5 out of 128
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$6,300,000 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	20
Exceeding Minimum Income Restrictions:	35	15	26
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	0
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	8
Negative Points	-10	-10	0
Total Points	128	118	76.5

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.