

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 27, 2009
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: \$27,700,000

Project Information:
Name: St. Joseph's Senior Apartments
Project Address: 2647 International Boulevard
Project City, County, Zip Code: Oakland, Alameda, 94601

Project Sponsor Information:
Name: St. Joseph's Senior L.P. (Northpoint Housing Inc. and Bridge Regional Partners, Inc.)
Principals: Carol Galante, Lydia Tan, Susan Johnson, and D. Valentine for both Northpoint Housing Partners Inc. and Bridge Regional Partners, Inc.)

Project Financing Information:
Bond Counsel: Quint & Thimmig LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: U.S. Bank National Association
TEFRA Hearing: August 18, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 83, plus 1 manager unit
Type: New Construction (Adaptive Reuse)
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.
Unit Mix: Studio & 1 bedroom

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	40,157,424	
Estimated Hard Costs per Unit:	\$	215,763	(\$17,908,314 /83 units)
Estimated per Unit Cost:	\$	483,824	(\$40,157,424 /83 units)
Allocation per Unit:	\$	333,735	(\$27,700,000 /83 units)
Allocation per Restricted Rental Unit:	\$	333,735	(\$27,700,000 /83 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 the modifications needed to provide senior housing, the retrofitting needed to comply with current code standards and the restoration of historical features. The building was originally constructed in 1912 and is a registered historical landmark.

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 27,700,000	\$ 4,579,324
Deferred Developer Fee	\$ 1,700,000	\$ 1,700,000
LIH Tax Credit Equity	\$ 1,174,583	\$ 11,696,160
Direct & Indirect Public Funds	\$ 8,416,110	\$ 16,282,713
Other: Foundation Grant	\$ 150,000	\$ 150,000
Historic Tax Credit Equity	\$ 0	\$ 5,749,227
Total Sources	\$ 39,140,693	\$ 40,157,424

Uses of Funds:	
Acquisition Costs	\$ 6,744,980
On & Off Site Costs	\$ 1,295,268
Hard Construction Costs	\$ 16,613,046
Architect & Engineering Fees	\$ 1,625,733
Contractor Overhead & Profit	\$ 1,618,053
Developer Fee	\$ 2,500,000
Relocation	\$ 625,487
Cost of Issuance	\$ 498,253
Capitalized Interest	\$ 1,581,199
Other Soft Costs	\$ 7,055,405
Total Uses	\$ 40,157,424

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: 93 out of 118

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$27,700,000 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:	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]	0
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	15
Site Amenities	10	10	10
Service Amenities	10	10	5
New Construction	10	10	10
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	118	98	93

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.