

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 22, 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: \$11,000,000

Project Information:
Name: Pacific Meadows Apartments
Project Address: 5315 Carmel Valley Road
Project City, County, Zip Code: Carmel, Monterey, 93923

Project Sponsor Information:
Name: Pacific Meadows Senior Housing, L.P. (Carmel Senior Housing, Inc. and American Baptist Homes of the West, Inc.)
Principals: David Ferguson, Ancel Romero, Leon Gean and Pamela Scott Claassen for Carmel Housing, Inc. and American Baptist Homes of the West, Inc.

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Prudential Affordable Mortgage Company
TEFRA Hearing Date: June 2, 2009

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 198, plus 2 manager units
Type: Acquisition and Rehalitation
Type of Units: Senior Citizens

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 80%
30% (60 units) restricted to 50% or less of area median income households.
50% (99 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1 & 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	18,341,114	
Estimated Hard Costs per Unit:	\$	26,765	(\$5,299,380 /198 units)
Estimated per Unit Cost:	\$	92,632	(\$18,341,114 /198 units)
Allocation per Unit:	\$	55,556	(\$11,000,000 /198 units)
Allocation per Restricted Rental Unit:	\$	69,182	(\$11,000,000 /159 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 11,000,000	\$ 7,046,349
Developer Equity	\$ 0	\$ 1,123,856
Deferred Developer Fee	\$ 0	\$ 1,520,535
LIH Tax Credit Equity	\$ 397,383	\$ 4,905,374
Direct & Indirect Public Funds	\$ 5,252,410	\$ 3,745,000
Total Sources	\$ 16,649,793	\$ 18,341,114

Uses of Funds:	
Acquisition Costs	\$ 7,739,813
On & Off Site Costs	\$ 280,579
Hard Construction Costs	\$ 5,018,801
Architect & Engineering Fees	\$ 75,000
Contractor Overhead & Profit	\$ 321,880
Developer Fee	\$ 2,464,883
Relocation	\$ 101,520
Cost of Issuance	\$ 318,528
Capitalized Interest	\$ 88,790
Other Soft Costs	\$ 1,931,320
Total Uses	\$ 18,341,114

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: 64 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$11,000,000 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	31
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
Community Revitalization Area	15	15	0
Site Amenities	10	10	0
Service Amenities	10	10	5
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	118	98	64

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.