

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 24, 2010
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Richard Fischer

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:

Tax-exempt: \$9,680,000
Taxable: \$520,000

Project Information:

Name: Crescent Manor Apartments
Project Address: 467 Turk Street
Project City, County, Zip Code: San Francisco, San Francisco, 94102

Project Sponsor Information:

Name: Crescent Manor Partners, L.P. (Crescent Manor Management, LLC and AOF/ Pacific Affordable Housing)
Principals: Stephen R. Whyte, Philip Kennedy and Ray Nayyar

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: D. A. Davidson Fixed Income Capital Markets
Credit Enhancement Provider: PNC Bank N.A. (HUD 221d4 & GNMA)
TEFRA Hearing Date: October 14, 2009

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 93, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
20% (19 units) restricted to 50% or less of area median income households.
80% (74 units) restricted to 60% or less of area median income households.
Unit Mix: Studio

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 14,423,687	
Estimated Hard Costs per Unit:	\$ 37,679	(\$3,504,191 /93 units)
Estimated per Unit Cost:	\$ 155,093	(\$14,423,687 /93 units)
Allocation per Unit:	\$ 104,086	(\$9,680,000 /93 units)
Allocation per Restricted Rental Unit:	\$ 104,086	(\$9,680,000 /93 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 9,680,000	\$ 9,680,000
Taxable Bond Proceeds	\$ 520,000	\$ 520,000
Developer Equity	\$ 1,243,319	\$ 449,614
LIH Tax Credit Equity	\$ 2,381,118	\$ 3,174,824
Other (Pre-conversion NOI)	\$ 599,520	\$ 599,250
Total Sources	\$ 14,423,957	\$ 14,423,688

Uses of Funds:	
Acquisition Costs	\$ 1,692,000
Building	\$ 4,408,000
Hard Construction Costs	\$ 3,504,191
Architect & Engineering Fees	\$ 226,725
Contractor Overhead & Profit	\$ 139,872
Developer Fee	\$ 1,431,972
Relocation	\$ 507,313
Cost of Issuance	\$ 1,119,772
Capitalized Interest	\$ 1,393,843
Total Uses	\$ 14,423,688

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: 60 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$9,680,000 in tax exempt bond allocation on a carryforward basis.

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	30
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	2
Community Revitalization Area	15	15	0
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	118	98	60

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.