

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 26, 2012
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: County of Contra Costa

Allocation Amount Requested:
Tax-exempt: \$14,500,000

Project Information:
Name: Berrellesa Palms Apartments
Project Address: 301 Buckley Street
Project City, County, Zip Code: Martinez, Contra Costa, 94553

Project Sponsor Information:
Name: Berrellesa Palms, L.P. (Resources for Community Development Housing, LLC)
Principals: Rick Judd, Jacque Keller, Kattye Giles, Katherine Fleming for Resources for Community Development, LLC.
Property Management Company: The John Stewart Company

Project Financing Information:
Bond Counsel: Quint & Thimmig LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo Bank, N.A. and California Community Reinvestment Corporation
TEFRA Hearing Date: June 26, 2012

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 48, plus 1 manager unit
Type: New Construction
Type of Units: Senior Citizens/Special Needs

The Project will serve a multifamily supportive housing for low-income seniors with chronic health conditions, including 3 units specifically for persons living with HIV/AIDS. The project will be a 3 story structure with a podium parking structure. The designs include 49 one-bedroom/ 1 bath units and one 3 bedroom manager's unit. Amenities will include 3 common laundry rooms, one on each floor, as well as 2 elevators. the Project will also include a community room, a computer lab, 2 family counseling rooms and an exercise/health room. the outdoor area will offer outdoor seating and community garden plots for the resident's use.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (48 units) restricted to 50% or less of area median income households.
Unit Mix: 1 bedroom

There are no service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	23,070,446	
Estimated Hard Costs per Unit:	\$	250,068	(\$12,003,284 /48 units)
Estimated per Unit Cost:	\$	480,634	(\$23,070,446 /48 units)
Allocation per Unit:	\$	302,083	(\$14,500,000 /48 units)
Allocation per Restricted Rental Unit:	\$	302,083	(\$14,500,000 /48 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 14,500,000	\$ 2,126,818
Deferred Developer Fee	\$ 1,129,500	\$ 1,129,500
LIH Tax Credit Equity	\$ 524,080	\$ 8,368,085
Direct & Indirect Public Funds	\$ 5,275,000	\$ 11,275,000
Other (Accrued interest & Costs def. to perm.)	\$ 1,641,866	\$ 171,043
Total Sources	\$ 23,070,446	\$ 23,070,446

Uses of Funds:	
Acquisition/Land Purchase	\$ 1,410,000
On & Off Site Costs	\$ 12,003,284
Architect & Engineering Fees	\$ 741,000
Contractor Overhead & Profit	\$ 597,664
Developer Fee	\$ 2,000,000
Cost of Issuance	\$ 300,160
Capitalized Interest	\$ 964,013
Other Soft Costs (Marketing, etc.)	\$ 5,054,325
Total Uses	\$ 23,070,446

Description of Financial Structure and Bond Issuance:

Wells Fargo Bank, N.A. will be providing the construction loan and the permanent loan will be via the joint loan program with the California Community Reinvestment Corporation (CCRC). Construction loan terms are 24 months with a 20 year fully amortizing maturity, with an interest rate of 360-day year, equal to 30-day LIBOR plus 2.00%. Permanent loan will be at 5% or 15 year AAA Munis plus 1.75% with a 20 year amortization.

Analyst Comments:

Not Applicable

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: 77.5 out of 130

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$14,500,000 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]	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	7.5
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	10	10	0
Negative Points	-10	-10	0
Total Points	130	100	77.5

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.