

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 16, 2016
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: \$24,000,000

Project Information:
Name: Tabora Gardens Senior Apartments
Project Address: Southeast Corner, Donlon Blvd & Tabora D
Project City, County, Zip Code: Antioch, Contra Costa, 94509

Project Sponsor Information:
Name: TBF LP SAHA (Satellite Affordable Housing Associates)
Principals: Mike Jacob, David Greensfelder, and Smitha Seshadri for
Satellite Affordable Housing Associates
Property Management Company: Satellite Affordable Housing Associates Property Management

Project Financing Information:
Bond Counsel: Quint & Thimmig LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo Bank, N.A.
TEFRA Noticing Date: December 18, 2015
TEFRA Adoption Date: January 19, 2016

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 84, plus 1 manager unit
Type: New Construction
Type of Units: Senior Citizens

Tabora Gardens Senior Apartments is the new construction of an 85 unit affordable housing community in Antioch for people aged 55 and above. The site is a vacant, 3.15 acre site in the shape of a right triangle. Along the legs of the triangle, SAHA will construct a 2 to 3 story, 85 unit building in an L configuration. The two buildings will be connected by a bridge containing enclosed corridors on the second and third floors. The main entrance of Tabora Gardens will be an inviting atrium located at this area where the two buildings connect. The adjacent first floor area will also contain the majority of the common uses such as the manager and services offices, the main community room and the smaller activity room and computer room. The community room will open to the expansive central garden which will include a meandering path, a boardwalk, several seating areas, a meditation area and wheelchair accessible vegetable planters in a sunny spot. Tabora Gardens will include 84 one-bedroom units for people with incomes at or below 50% of the area median, and one two-bedroom apartment for the onsite resident manager. Five homes at Tabora Gardens will be set aside for people with HIV/AIDS. An additional five homes will be set aside for people with disabilities. 33 units will be set aside for veterans, 12 of which will be formerly chronically homeless.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (84 units) restricted to 50% or less of area median income households.
Unit Mix: 1 bedroom

Service amenities include a bona fide service coordinator/social worker available free of charge for tenants.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	31,856,579	
Estimated Hard Costs per Unit:	\$	207,700	(\$17,446,765 /84 units)
Estimated per Unit Cost:	\$	379,245	(\$31,856,579 /84 units)
Allocation per Unit:	\$	285,714	(\$24,000,000 /84 units)
Allocation per Restricted Rental Unit:	\$	285,714	(\$24,000,000 /84 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 24,000,000	\$ 0
LIH Tax Credit Equity	\$ 609,212	\$ 12,125,043
GP Equity	\$ 0	\$ 581,939
Deferred Developer Fee	\$ 0	\$ 718,061
Contra Costa County	\$ 0	\$ 3,000,000
HCD VHHP	\$ 0	\$ 5,246,781
HCD MHP	\$ 0	\$ 6,901,000
City of Antioch NSP	\$ 2,153,755	\$ 2,153,755
City of Antioch RDA	\$ 900,000	\$ 900,000
City of Antioch CDBG	\$ 230,000	\$ 230,000
Total Sources	\$ 27,892,967	\$ 31,856,579

Uses of Funds:	
Land Cost/Acquisition	\$ 2,296,039
New Construction	\$ 17,446,765
Architectural Fees	\$ 1,167,568
Permanent Financing	\$ 2,108,179
Legal Fees	\$ 25,000
Reserves	\$ 1,449,749
Appraisal	\$ 15,000
Contingencies	\$ 1,783,145
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 3,065,134
Developer Costs	\$ 2,500,000
Total Uses	\$ 31,856,579

Description of Financial Structure and Bond Issuance:

This is a private placement transaction with the bonds being issued by Contra Costa County. During the construction financing phase the loan term will be for 24 months with a variable interest rate equal to the sum of the 30 day LIBOR plus a spread of 1.75%. The bonds are being redeemed and replaced with Public Funds and Low Income Housing Tax Credits.

Analyst Comments:

None

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 140

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$24,000,000 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
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	4
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	7.5
Service Amenities	10	10	5
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	0
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	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.