

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 25, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Crystal Alvarez

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$5,961,000

Project Information:
Name: Finnell Place & Washington Gardens Apartments
Project Address: 1911 Finnell Road & 6478 Washington Street
Project City, County, Zip Code: Yountville, Napa, 94599

Project Sponsor Information:
Name: Arroyo Grande Villas, LP (Napa Valley Community Housing)
Principals: Kathleen Dreessen and Sue Dee Shenk

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Silicon Valley Bank
TEFRA Hearing: February 3, 2009

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 35, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
49% (17 units) restricted to 50% or less of area median income households.
51% (18 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Estimated Total Development Cost:	\$ 12,149,157	
Estimated Hard Costs per Unit:	\$ 216,002	(\$7,560,059 /35 units)
Estimated per Unit Cost:	\$ 347,119	(\$12,149,157 /35 units)
Allocation per Unit:	\$ 170,314	(\$5,961,000 /35 units)
Allocation per Restricted Rental Unit:	\$ 170,314	(\$5,961,000 /35 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 5,961,000	\$ 1,521,000
Developer Equity	\$ 411,175	\$ 632,123
Deferred Developer Fee	\$ 555,157	\$ 555,157
LIH Tax Credit Equity	\$ 450,000	\$ 4,109,301
Direct & Indirect Public Funds	\$ 4,347,576	\$ 5,331,576
Cost Deferred unitl Perm.	\$ 424,249	\$ 0
Total Sources	\$ 12,149,157	\$ 12,149,157

Uses of Funds:

On & Off Site Costs	\$ 1,499,897
Hard Construction Costs	\$ 6,060,162
Architect & Engineering Fees	\$ 1,015,000
Contractor Overhead & Profit	\$ 355,465
Developer Fee	\$ 1,200,000
Cost of Issuance	\$ 189,271
Capitalized Interest	\$ 413,296
Other Soft Costs	\$ 1,416,066
Total Uses	\$ 12,149,157

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: 88.4 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$5,961,000 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]	6.2
Gross Rents	5	5	0
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	9.2
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	88.4

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.