

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 3, 2008
Staff Report
2008 HOUSING ACT VOLUME CAP (H.R. 3221)
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Crystal Alvarez

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: **Tax-exempt:** \$4,550,000

Project Information:

Name: Bella Vista Apartments
Project Address: 66950 Ironwood Drive
Project City, County, Zip Code: Desert Hot Springs, Riverside, 92240

Project Sponsor Information:

Name: VBC Bella Vista, L.P. (VBC Bella Vista GP, Inc.)
Principals: J. David Page, Paul W. Page and Stephen W. Page

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: MMA Financial, Inc.
Credit Enhancement Provider: MMA Financial, Inc. / Fannie Mae
Private Placement Purchaser: Not Applicable
TEFRA Hearing: October 21, 2008

Description of Proposed Project:

State Ceiling Pool: Rural
Total Number of Units: 95, plus 1 manager's unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the P 100%
31% (29 units) restricted to 50% or less of area median income households.
69% (66 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$9,077,980	
Estimated Hard Costs per Unit:	\$22,777	(\$2,163,785 / 95 units)
Estimated per Unit Cost:	\$95,558	(\$9,077,980 / 95 units)
Allocation per Unit:	\$47,895	(\$4,550,000 / 95 units)
Allocation per Restricted Rental Unit:	\$47,895	(\$4,550,000 / 95 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 4,550,000	\$ 3,900,000
Developer Equity	\$ 500,000	\$ 174,019
LIH Tax Credit Equity	\$ 1,597,980	\$ 2,573,961
Assumption of RHCP Loan	\$ 2,430,000	\$ 2,430,000
Total Sources	\$ 9,077,980	\$ 9,077,980

Uses of Funds:	
Acquisition Costs	\$ 4,710,000
Hard Construction Costs	\$ 2,163,785
Architect & Engineering Fees	\$ 147,000
Contractor Overhead & Profit	\$ 236,215
Developer Fee	\$ 1,036,286
Relocation	\$ 24,000
Cost of Issuance	\$ 326,740
Capitalized Interest	\$ 274,500
Other Soft Costs	\$ <u>159,454</u>
Total Uses	\$ 9,077,980

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: 80.5 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$4,550,000 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]	0
Gross Rents	5	5	0
Large Family Units	5	5	5
Leveraging	10	10	10
Exceeding Minimum Term of Restrictions	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	5
New Construction	10	10	0
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	128	108	80.5

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.