

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 22, 2010
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Brady Hill

Applicant: California Housing Finance Agency

Allocation Amount Requested:
Tax-exempt: \$7,150,000

Project Information:
Name: Bellwood Park Apartments
Project Address: 385 Bell Ave.
Project City, County, Zip Code: Sacramento, Sacramento, 95838

Project Sponsor Information:
Name: Bellwood Jerron Apartments, LP (Bellwood Jerron Holdings, LLC and Western Community Housing, Inc.)
Principals: Dell Loy Hansen, Kipling Sheppard, Jeff Nielson, Cami Nielson, Brad Mishler, Joel Larson, Tony Hladek, JD Nielson and Corey Johnson for Bellwood Holdings, LLC; Graham Espley-Jones and Leanne Truofeh for Western Community Housing, Inc.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Prudential Affordable Mortgage Company/Freddie Mac
Credit Enhancement Provider: Prudential Affordable Mortgage Company/Freddie Mac
TEFRA Hearing Date: August 17, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 75, 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%
21% (16 units) restricted to 50% or less of area median income households.
79% (59 units) restricted to 60% or less of area median income households.
Unit Mix: 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	9,033,651	
Estimated Hard Costs per Unit:	\$	16,307	(\$1,222,992 /75 units)
Estimated per Unit Cost:	\$	120,449	(\$9,033,651 /75 units)
Allocation per Unit:	\$	95,333	(\$7,150,000 /75 units)
Allocation per Restricted Rental Unit:	\$	95,333	(\$7,150,000 /75 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 7,150,000	\$ 7,150,000
LIH Tax Credit Equity	\$ 1,883,651	\$ 1,883,651
Total Sources	\$ 9,033,651	\$ 9,033,651

Uses of Funds:	
Land Purchase	\$ 5,600,000
Hard Construction Costs	\$ 1,222,992
Architect & Engineering Fees	\$ 48,000
Contractor Overhead & Profit	\$ 67,944
Developer Fee	\$ 1,036,123
Cost of Issuance	\$ 248,508
Other Soft Costs	\$ 810,084
Total Uses	\$ 9,033,651

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: 61 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$7,150,000 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	31
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	0
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	5
Negative Points	-10	-10	0
Total Points	118	98	61

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.