

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**July 25, 2007**  
**Executive Summary**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by Richard Fischer.*

---

**Applicant:** California Statewide Communities Development Authority

---

**Allocation Amount Requested:** Tax-exempt \$19,150,000

---

**Project Name:** **Cherry Creek Apartments**  
**Project Address:** 2020 Southwest Expressway  
**Project City, County, Zip Code:** San Jose, Santa Clara, 95126

Located in City of San Jose's Consolidated Plan 2005-2010

---

**Project Sponsor Information:**

**Name:** Cherry Creek San Jose, L.P. (Cherry Creek San Jose – MGP, LLC and Cherry Creek San Jose, LLC)  
**Principals:** Jonathan B. Webb and William W. Hirsch for Cherry Creek San Jose - MGP, LLC; Mark E. Hyatt, Fruchbom Trust – P. Fruchbom, Chris M. Burns, Yellow Branch Investment, Inc., California Venture Management Services, Inc., JC Wartell Nongrantor Trust, RT Harper Nongrantor Trust, Wartell Children Nongrantor Trust, RK Leach Investments, Inc. for Cherry Creek San Jose, LLC

---

**Project Financing Information:**

**Bond Counsel:** Jones Hall, A Professional Law Firm  
**Underwriter:** N/A  
**Credit Enhancement Provider:** N/A  
**Private Placement Purchaser:** Citigroup Global Markets, Inc.  
**TEFRA Hearing:** June 14, 2007

---

**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 129, 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%**  
11% (14 units) restricted to 50% or less of area median income households; and  
89% (115 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1- and 2-bedrooms

---

**Term of Restrictions:** 55 years

---

<b>Estimated Total Development Cost:</b>	\$ 27,799,217
<b>Estimated Hard Costs per Unit:</b>	\$ 17,416 (\$2,246,706/129 units)
<b>Estimated per Unit Cost:</b>	\$ 215,498 (\$27,799,217/129 units)
<b>Allocation per Unit:</b>	\$ 148,450 (\$19,150,000/129 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 148,450 (\$19,150,000/129 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$19,150,000	\$17,310,000
Deferred Developer Fee	\$ 0	\$ 1,830,942
LIH Tax Credit Equity	\$ 4,934,399	\$ 8,658,275
Direct & Indirect Public Funds	<u>\$ 0</u>	<u>\$ 0</u>
<b>Total Sources</b>	<b>\$24,084,399</b>	<b>\$27,799,217</b>

<b>Uses of Funds:</b>	
Acquisition Cost	\$19,647,500
Hard Construction Costs	\$ 2,246,706
Architect & Engineering Fees	\$ 15,000
Contractor Overhead & Profit	\$ 192,575
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 552,230
Capitalized Interest	\$ 1,925,630
Other Soft Costs	<u>\$ 719,576</u>
<b>Total Uses</b>	<b>\$27,799,217</b>

---

**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:** 65.5 out of 128  
[See Attachment A]

---

**Recommendation:**

Staff recommends that the Committee approve \$19,150,000 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: Non-Mixed Income Project Mixed Income Project	35	15	25
Gross Rents	5	5	5
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	0
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	15	15	15
Site Amenities	10	10	7.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	NA
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>65.5</b>

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.