

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 23, 2007
Executive Summary
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 \$34,800,000

Project Name: **The Preserve Apartments**
Project Address: 7550 Desert Holly Street
Project City, County, Zip Code: Chino, San Bernardino, 91708

Project Sponsor Information:
Name: WNRA Chino, LP (Western National Investments,
Western National Realty Partners)
Principals: Michael K Hayde for WNRA Chino and Western
National Investments; Rex Delong and Jeffrey Scott
for Western National Investments

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: N/A
Credit Enhancement Provider: N/A
Private Placement Purchaser: Citigroup
TEFRA Hearing: April 17, 2007

Description of Proposed Project:
State Ceiling Pool: Mixed Income
Total Number of Units: 249, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 21%
21% (53 units) restricted to 50% or less of area median income households

Unit Mix: 1, 2, and 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$38,500,000
Estimated Hard Costs per Unit:	\$ 109,639 (\$27,300,00/249 units)
Estimated per Unit Cost:	\$ 154,618 (\$38,500,000/249 units)
Allocation per Unit:	\$ 139,759 (\$34,800,000/249 units)
Allocation per Restricted Rental Unit:	\$ 656,603 (\$34,800,000/53 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$34,800,000	\$34,800,000
Taxable Bond Proceeds	\$ 1,200,000	\$ 1,200,000
Developer Equity	\$ 1,500,000	\$ 1,500,000
LIH Tax Credit Equity	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Total Sources	\$38,500,000	\$38,500,000

Uses of Funds:	
Hard Construction Costs	\$27,300,000
Architect & Engineering Fees	\$ 1,256,200
Contractor Overhead & Profit	\$ 781,000
Developer Fee	\$ 1,500,000
Cost of Issuance	\$ 1,350,000
Capitalized Interest	\$ 2,610,000
Other Soft Costs	<u>\$ 3,702,800</u>
Total Uses	\$38,500,000

The Project Sponsor has requested an exception to the \$30 million cap per project imposed by Section 17.IV of the CDLAC Procedures on the basis that Preserve Apartments is a large infill mixed-used project, which is part of a master plan development. The construction of the project cannot be phased and will be constructed with a deadline of July 1, 2008. In accordance with Section 17.IV.B, the Executive Director is recommending that the Committee approve the exception as requested.

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: 50.62 out of 108
 [See Attachment #A]

Recommendation:

Staff recommends that the Committee approve \$34,800,000 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	6
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]	10
Large Family Units	5	5	0
Leveraging	10	10	1.62
Community Revitalization Area	15	15	0
Site Amenities	10	10	2.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	3
New Construction	10	10	10
Negative Points	NA	NA	0
Total Points	128	108	50.62

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.