

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**March 26, 2008**  
**Staff Report**  
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A***  
***QUALIFIED RESIDENTIAL RENTAL PROJECT***

*Prepared by Crystal Alvarez.*

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**Applicant:** California Municipal Finance Authority

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**Allocation Amount Requested:** Tax-exempt \$8,000,000

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**Project Name:** Springhill Gardens Apartments  
**Project Address:** 200 and 244 Dorsey Drive  
**Project City, County, Zip Code:** Grass Valley, Nevada, 95945

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**Project Sponsor Information:**

**Name:** Pacific West Communities, Inc. (Central Valley  
Coalition for Affordable Housing and DFA  
Development, LLC)  
**Principals:** Caleb Roope, Alan Jenkins, Sid McIntyre, Renee  
Downum and Danny Fred

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**Project Financing Information:**

**Bond Counsel:** Quint & Thimmig, LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** PNC Bank, N.A.  
**TEFRA Hearing:** February 26, 2008

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**Description of Proposed Project:**

**State Ceiling Pool:** Rural  
**Total Number of Units:** 119, plus 1 manager unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Family

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**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project: 100%**  
32% (38 units) restricted to 50% or less of area median income households; and  
68% (81 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2 and 3 bedrooms

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**Term of Restrictions:** 55 years

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<b>Estimated Total Development Cost:</b>	\$13,708,263
<b>Estimated Hard Costs per Unit:</b>	\$ 28,061 (\$3,339,244/119 units)
<b>Estimated per Unit Cost:</b>	\$ 115,195 (\$13,708,263/119 units)
<b>Allocation per Unit:</b>	\$ 67,227 (\$13,708,263/119 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 67,227 (\$13,708,263/119 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 8,000,000	\$ 6,850,000
Taxable Bond Proceeds	\$ 1,250,000	\$ 0
Developer Equity	\$ 0	\$ 506,693
Deferred Developer Fee	\$ 1,016,263	\$ 0
LIH Tax Credit Equity	\$ 1,400,000	\$ 4,309,570
Direct & Indirect Public Funds	<u>\$ 2,042,000</u>	<u>\$ 2,042,000</u>
<b>Total Sources</b>	<b>\$13,708,263</b>	<b>\$13,708,263</b>

<b>Uses of Funds:</b>	
Land Purchase	\$ 6,748,000
On-Site & Off-Site Costs	\$ 363,000
Hard Construction Costs	\$ 2,976,244
Architect & Engineering Fees	\$ 130,000
Contractor Overhead & Profit	\$ 290,400
Developer Fee	\$ 1,584,166
Relocation	\$ 175,000
Cost of Issuance	\$ 66,813
Capitalized Interest	\$ 346,800
Other Soft Costs	<u>\$ 1,027,840</u>
<b>Total Uses</b>	<b>\$13,708,263</b>

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**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.

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**Total Points:** 63 out of 128

[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$8,000,000 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	35
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	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	5
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>63</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.