

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 24, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: California Housing Finance Agency

Allocation Amount Requested: **Tax-exempt:** \$10,445,000

Project Information:

Name: Westview Terrace Apartments
Project Address: 287 West Westward Avenue
Project City, County, Zip Code: Banning, Riverside, 92220

Project Sponsor Information:

Name: Banning Leased Housing Associates I, L.P. (Central Valley Coalition for Affordable Housing Corporation and Polaris Holdings)
Principals: Alan Jenkins, Sid McIntyre, Renee Downnum, Steve Simmons, Chris Alley and Jennifer Bertuccio for Central Valley Coalition for Affordable Housing, Armand E. Brachman, David L. Brierton, Jack W. Safar, Paul R. Sween, Jeffrey R. Huggett and Marc S. Moorhouse for Polaris Holdings, I, LLC

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: California Housing Finance Agency
TEFRA Hearing: June 6, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 74, plus 1 manager's unit
Type: Acquisition and Rehabilitation
Type of Units: Family/Federally Assisted At-Risk

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 98%
51% (38 units) restricted to 50% or less of area median income households.
46% (34 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3 and 4 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$13,326,077	
Estimated Hard Costs per Unit:	\$35,562	(\$2,631,579 / 74 units)
Estimated per Unit Cost:	\$180,082	(\$13,326,077 / 74 units)
Allocation per Unit:	\$141,149	(\$10,445,000 / 74 units)
Allocation per Restricted Rental Unit:	\$145,069	(\$10,445,000 / 72 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 10,445,000	\$ 5,300,000
Taxable Bond Proceeds	\$	\$
Deferred Developer Fee	\$	\$ 474,543
LIH Tax Credit Equity	\$ 590,100	\$ 3,934,000
Direct & Indirect Public Funds	\$ 500,000	\$ 3,333,000
Other	\$ 284,535	\$ 284,535
Total Sources	\$ 11,819,635	\$ 13,326,078

Uses of Funds:	
Acquisition Costs	\$ 7,085,000
Rehabilitation Costs	\$ 3,023,000
Relocation	\$ 37,500
Architectural	\$ 135,000
Survey & Engineering	\$ 7,500
Contingency Costs	\$ 300,000
Construction Period Expenses	\$ 469,267
Permanent Financing Expenses	\$ 6,288
Legal Fees	\$ 220,000
Capitalized Reserves	\$ 365,287
Reports & Studies	\$ 28,400
Other	\$ 86,647
Development Costs	\$ 1,562,189
Total Uses	\$ 13,326,078

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: 100.5 out of 138

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$10,445,000 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	10
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	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	5
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	10
New Construction	10	10	0
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	128	108	100.5

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.