

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 3, 2008
Staff Report
2008 HOUSING ACT VOLUME CAP (H.R. 3221)
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: John Weir

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: **Tax-exempt:** \$11,265,000

Project Information:

Name: Mountain View Apartments
Project Address: 488 East 15th Street
Project City, County, Zip Code: Beaumont, Riverside 92223

The proposed Project is located in a Community Revitalization area, more specifically in the Beaumont Redevelopment Project Area.

Project Sponsor Information:

Name: Beaumont CA Leased Housing Associates I, LP (Beaumont CA Leased Housing Associates I, LLC, Polaris Holdings I, LLC, Central Valley Coalition for Affordable Housing Corporation)
Principals: Jack W. Safar, David L. Brierton, Armand E. Brachman, Paul R. Sween, Jeffrey R. Huggett, Mark S. Moorhouse & Christopher P. Barnes for Polaris Holdings I, LLC/Beaumont CA Leased Housing Associates, LLC, and Alan Jenkins, Sid McIntyre and Chris Alley for Central Valley Coalition for Affordable Housing.

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Dougherty & Company, LLC
Credit Enhancement Provider: Prudential Affordable Mortgage Corporation/Freddie Mac
Private Placement Purchaser: Not Applicable
TEFRA Hearing: November 25, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 79, 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: 100%
76% (60 units) restricted to 50% or less of area median income households.
24% (19 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, and 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$13,753,902	
Estimated Hard Costs per Unit:	\$31,979	(\$2,526,316 / 79 units)
Estimated per Unit Cost:	\$174,100	(\$13,753,902 / 79 units)
Allocation per Unit:	\$142,595	(\$11,265,000 / 79 units)
Allocation per Restricted Rental Unit:	\$142,595	(\$11,265,000 / 79 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 11,265,000	\$ 5,600,000
Seller Reserves	\$ 152,921	\$ 152,921
Deferred Developer Fee	\$ 0	\$ 946,126
State LIHTC	\$ 119,595	\$ 797,300
LIH Tax Credit Equity	\$ 474,585	\$ 3,163,900
Direct & Indirect Public Funds	\$ 0	\$ 2,960,000
Other (NOI)	\$ 133,654	\$ 133,654
Total Sources	\$ 12,145,755	\$ 13,753,901

Uses of Funds:	
Acquisition Costs	\$ 7,000,000
Rehabilitation Costs	\$ 2,902,176
Relocation	\$ 40,000
Architectural	\$ 130,200
Survey & Engineering	\$ 7,500
Contingency Costs	\$ 288,000
Construction Period Expenses	\$ 621,335
Permanent Financing Expenses	\$ 151,309
Legal Fees	\$ 305,000
Capitalized Reserves	\$ 416,759
Reports & Studies	\$ 49,500
Other	\$ 346,670
Developer Costs	\$ 1,495,453
Total Uses	\$ 13,753,902

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: 108 out of 138

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$11,265,000 in tax exempt bond allocation on a carry-forward 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	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	15
Site Amenities	10	10	10
Service Amenities	10	10	5
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	138	118	108

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.