

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 22, 2009
Staff Report
*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: \$4,300,000

Project Information:
Name: Baldwin & Squaw Valley Apartments
Project Address: 9555 East Barnard & 12730 Birch Streets
Project City, County, Zip Code: Blythe, Riverside, 92225

Project Sponsor Information:
Name: HPD Baldwin-Squaw LLC c/o Highland Property Development LLC
Principals: Douglas B. Day, Gary P. Downs, Kristoffer J. Kaufman And William E. Rice

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: JP Morgan Case Bank, NA Rehabilitation/
Bonneville Mortgage-Permanent Financing
TEFRA Hearing Date: June 23, 2009

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 71, plus 2 manager units
Type: Acquisition and Rehalitation
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
11% (8 units) restricted to 50% or less of area median income households.
89% (63 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	8,843,308	
Estimated Hard Costs per Unit:	\$	37,637	(\$2,672,201 /71 units)
Estimated per Unit Cost:	\$	124,554	(\$8,843,308 /71 units)
Allocation per Unit:	\$	60,563	(\$4,300,000 /71 units)
Allocation per Restricted Rental Unit:	\$	60,563	(\$4,300,000 /71 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 4,300,000	\$ 1,950,000
Deferred Developer Fee	\$ 0	\$ 302,124
LIH Tax Credit Equity	\$ 2,507,566	\$ 2,786,184
Direct & Indirect Public Funds	\$ 3,440,000	\$ 3,805,000
Total Sources	\$ 10,247,566	\$ 8,843,308

Uses of Funds:	
Acquisition Costs	\$ 3,640,000
On & Off Site Costs	\$ 259,000
Hard Construction Costs	\$ 2,413,201
Architect & Engineering Fees	\$ 62,500
Contractor Overhead & Profit	\$ 340,098
Developer Fee	\$ 990,390
Cost of Issuance	\$ 89,223
Capitalized Interest	\$ 22,500
Other Soft Costs- Marketing, etc.	\$ 1,026,395
Total Uses	\$ 8,843,307

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: 61.5 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$4,300,000 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:	35	15	26
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	0
Leveraging	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	3
Negative Points	-10	-10	0
Total Points	118	98	61.5

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.