

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 22, 2010
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: \$4,740,000

Project Information:
Name: Hacienda Villa Apartments
Project Address: 2010 Clyde Fannon Road
Project City, County, Zip Code: Firebaugh, Fresno, 93622

Project Sponsor Information:
Name: MBHP 101, L.P. (Paul Owahdi, an individual and Jack Riley, an individual)
Principals: Paul Owahdi and Jack Riley

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citibank, N.A./US Treasury NIBP
TEFRA Hearing Date: August 1, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 119, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
20% (24 units) restricted to 50% or less of area median income households.
80% (95 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:	\$	7,471,986	
Estimated Hard Costs per Unit:	\$	10,084	(\$1,200,000 /119 units)
Estimated per Unit Cost:	\$	62,790	(\$7,471,986 /119 units)
Allocation per Unit:	\$	39,832	(\$4,740,000 /119 units)
Allocation per Restricted Rental Unit:	\$	39,832	(\$4,740,000 /119 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 4,740,000	\$ 4,740,000
Deferred Developer Fee	\$ 81,221	\$ 81,221
LIH Tax Credit Equity	\$ 1,648,550	\$ 1,648,550
Other (Carry back Loan)	\$ 1,002,215	\$ 1,002,215
Total Sources	\$ 7,471,986	\$ 7,471,986

Uses of Funds:	
Acquisition Cost	\$ 4,952,000
Hard Construction Costs	\$ 1,200,000
Architect & Engineering Fees	\$ 56,000
Contractor Overhead & Profit	\$ 84,000
Developer Fee	\$ 463,493
Cost of Issuance	\$ 247,504
Capitalized Interest	\$ 71,319
Other Soft Costs (Marketing, etc.)	\$ 397,670
Total Uses	\$ 7,471,986

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: 63.8 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$4,740,000 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	30
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	8.8
Gross Rents	5	5	0
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	15	15	15
Site Amenities	10	10	5
Service Amenities	10	10	5
New Construction	10	10	0
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
Total Points	118	98	63.8

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.