

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 16, 2011
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: \$4,680,000

Project Information:
Name: Windham Village Apartments
Project Address: 1101 Prospect Avenue
Project City, County, Zip Code: Santa Rosa, Sonoma, 95409

Project Sponsor Information:
Name: Windam Village Affordable, L.P. (Windam Village AGP, L.P. [Bentall Residential, L.P.] and Las Palmas Housing and Development Corporation)
Principals: Ken J. Reiner, Kathy Gatton, Jordan Freedman and Sean Burrows for Windam Village AGP, L.P.; Joseph M. Michaels, Victor Barone, Leslie A. Michaels, Noami Pines and Lindsay Winter for Las Palmas Housing and Development Corporation

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Not Applicable
Private Placement Purchaser: Citibank, N.A. Freddie Mac
TEFRA Hearing Date: February 9, 2011

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 49, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Senior Citizens

A 49 Unit Acquisition and Rehabilitation apartment complex located in Sant Rosa. Access to near by parks and medical facilities is enhanced with closeby public transportation.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
33% (16 units) restricted to 50% or less of area median income households.
67% (33 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

This is a 100% affordable Project. Thirteen 1-bedroom, one 2-bedroom and two 3-bedroom apartments at 50% of AMI and thirty 1-bedroom, one 2-bedroom and two 3-bedroom apartments at 60% of AMI. The project will provide educational classes such as English as a second language classes and Computer Training.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	8,461,799	
Estimated Hard Costs per Unit:	\$	40,861	(\$2,002,175 /49 units)
Estimated per Unit Cost:	\$	172,690	(\$8,461,799 /49 units)
Allocation per Unit:	\$	95,510	(\$4,680,000 /49 units)
Allocation per Restricted Rental Unit:	\$	95,510	(\$4,680,000 /49 restricted units)

Delete these rows

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 4,680,000	\$ 4,680,000
Deferred Developer Fee	\$ 214,509	\$ 214,509
LIH Tax Credit Equity	\$ 1,847,521	\$ 2,309,401
Purchase Reserves	\$ 82,889	\$ 82,889
Direct & Indirect Public Funds	\$ 1,175,000	\$ 1,175,000
Total Sources	\$ 7,999,919	\$ 8,461,799
 Uses of Funds:		
Acquisition	\$ 3,921,500	
Rehabilitation Costs	\$ 2,304,235	
Relocation	\$ 130,000	
Architectural	\$ 100,000	
Survey & Engineering	\$ 35,000	
Contingency Costs	\$ 246,468	
Construction Period Expenses	\$ 87,319	
Permanent Financing Expenses	\$ 51,480	
Legal Fees	\$ 140,000	
Capitalized Reserves	\$ 126,764	
Reports & Studies	\$ 71,500	
Other (Marketing, etc)	\$ 280,849	
Developer Costs	\$ 966,684	
Total Uses	\$ 8,461,799	

Description of Financial Structure and Bond Issuance:

The Project Partnership has obtained commitments from Citibank, NA to purchase the tax-exempt bonds issued on the Property through a Freddie Mac Private Placement Structure. Citibank will act as facilitator for the bonds for Freddie Mac for the life of the bonds.

Analyst Comments:

This is a NIBP Project for CalHFA.

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: 64.5 out of 118

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$4,680,000 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	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	5
New Construction	10	10	0
Sustainable Building Methods	8	8	2
Negative Points	-10	-10	0
Total Points	118	98	64.5

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.