

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 13, 2013
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Crystal Alvarez

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$9,500,000

Project Information:
Name: Voorhis Village Apartments
Project Address: 653 East Juanita Avenue
Project City, County, Zip Code: San Dimas, Los Angeles, 91773

Project Sponsor Information:
Name: San Dimas Community Partners, LP (WNC-San Dimas Partners, G/P, LLC and JHCJHC-Acquisition, LLC)
Principals: Wilfred N Cooper Jr. for WNC-San Dimas Partner, L/P, LLC;
Marcy V. Torres for JHC-Acquisitions, LLC
Property Management Company: Professional Property Management, Inc.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, N.A.
TEFRA Hearing Date: January 18, 2013

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 64, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Voorhis Village Apartments consists of nine two-story, garden-style, buildings containing 65 one, two, three, and four bedroom units. Currently, twenty-one units are benefited by a Section 8 HAP contract; the remaining 44 units have completed 236 HUD financing tenant income and rent regulatory restrictions. The development amenities will include refrigerator, central heat/cool, and carpet, ceiling fan, playground, carport and surveillance cameras.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
33% (21 units) restricted to 50% or less of area median income households.
67% (43 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3 & 4 bedrooms

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	9,500,000	
Estimated Hard Costs per Unit:	\$	27,242	(\$1,743,481 /64 units)
Estimated per Unit Cost:	\$	148,438	(\$9,500,000 /64 units)
Allocation per Unit:	\$	148,438	(\$9,500,000 /64 units)
Allocation per Restricted Rental Unit:	\$	148,438	(\$9,500,000 /64 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 9,500,000	\$ 9,500,000
Deferred Developer Fee	\$ 1,666,068	\$ 238,262
LIH Tax Credit Equity	\$ 2,895,535	\$ 4,323,340
Other (NOI)	\$ 253,333	\$ 253,334
Total Sources	\$ 14,314,936	\$ 14,314,936

Uses of Funds:	
Acquisition/Land Purchase	\$ 8,750,000
Hard Construction Costs	\$ 1,743,481
Architect & Engineering Fees	\$ 70,000
Contractor Overhead & Profit	\$ 147,847
Developer Fee	\$ 1,666,068
Relocation	\$ 80,000
Cost of Issuance	\$ 102,775
Capitalized Interest	\$ 253,333
Other Soft Costs (Marketing, etc.)	\$ 1,501,432
Total Uses	\$ 14,314,936

Description of Financial Structure and Bond Issuance:

The tax-exempt bonds will be privately placed with Citibank, N.A. The construction loan will be for a term of 24-months with a variable rate equal to SIFMA plus a spread of 2.50%. The Permanent loan will be for a term of 30 years and amortized for 35 years. The loan will have a fixed rate equal to the sum of a 17 year maturity "AAA" bond rate as published by Thompson Municipal Market Monitor plus a spread of 2.30%. As of the date of the application the rate was estimated at 4.65%.

Analyst Comments:

Not Applicable

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: 60 out of 130
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$9,500,000 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:	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	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	0
New Construction	10	10	0
Sustainable Building Methods	10	10	0
Negative Points	-10	-10	0
Total Points	130	110	60

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.