

**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*

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**Applicant:** California Statewide Communities Development Authority

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

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

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**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.

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

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**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:**

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

| <b>Sources of Funds:</b> | 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           |
| <b>Total Sources</b>     | <b>\$ 14,314,936</b> | <b>\$ 14,314,936</b> |

| <b>Uses of Funds:</b>              |                      |
|------------------------------------|----------------------|
| 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         |
| <b>Total Uses</b>                  | <b>\$ 14,314,936</b> |

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**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%.

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**Analyst Comments:**

Not Applicable

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**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.

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**Total Points:** 60 out of 130  
[See Attachment A]

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**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<br>[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             |
| <b>Total Points</b>   | <b>130</b>   | <b>110</b>                                       | <b>60</b>     |

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.