

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**December 3, 2008**  
**Staff Report**  
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A***  
***QUALIFIED RESIDENTIAL RENTAL PROJECT***

*Prepared by Richard C. Fischer.*

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**Applicant:** California Housing Finance Agency

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**Allocation Amount Requested:** Tax-exempt \$7,425,000  
**PROJECT ORIGINALLY RECEIVED ALLOCATION ON JULY 16, 2008. APPLICANT REQUESTED AWARD BE DEFERRED TO DECEMBER 3 ALLOCATION MEETING**

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**Project Name:** Villa Mirage I and II Apartments  
**Project Address:** 34-160 Rebecca Way  
**Project City, County, Zip Code:** Rancho Mirage, Riverside, 92270

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**Project Sponsor Information:**  
**Name:** AFE Villa Mirage Associates, L.P. (AF Evans Company Inc. and The Trinity Housing Foundation.)  
**Principals:** Arthur F. Evans, Richard Bell, Maureen Drotleff, Richard Dishnica for AF Evans Company, Inc. and William M. Leone and Kevin Leong for Trinity Housing Foundation

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe, LLP  
**Underwriter:** CalHFA  
**Credit Enhancement Provider:** CalHFA  
**TEFRA Hearing:** April 21, 2008

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 97, plus 1 manager unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Family

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project: 100%**  
21% (20 units) restricted to 50% or less of area median income households; and  
79% (77 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 2 and 3-bedrooms

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**Term of Restrictions:** 55 years

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<b>Estimated Total Development Cost:</b>	\$10,130,267
<b>Estimated Hard Costs per Unit:</b>	\$ 15,000 (\$1,470,000 /97 units)
<b>Estimated per Unit Cost:</b>	\$ 103,370 (\$10,130,267/97 units)
<b>Allocation per Unit:</b>	\$ 76,546 (\$7,425,000/97 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 76,546 (\$7,425,000/97 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$7,425,000	\$ 6,400,000
Deferred Developer Fee	\$ 0	\$ 434,635
LIH Tax Credit Equity	\$ 733,761	\$ 2,835,000
NOI and Reserves	<u>\$ 460,632</u>	<u>\$ 460,632</u>
<b>Total Sources</b>	<b>\$8,619,393</b>	<b>\$10,130,267</b>

<b>Uses of Funds:</b>	
Acquisition	\$ 5,777,283
Relocation	\$ 49,000
New Construction or Rehabilitation	\$ 1,732,405
Architectural	\$ 21,000
Survey & Engineering	\$ 3,000
Contingency Costs	\$ 177,000
Construction Period Expenses	\$ 314,125
Permanent Financing Expenses	\$ 10,563
Legal Fees	\$ 60,000
Capitalized Reserves	\$ 593,832
Reports & Studies	\$ 38,100
Developer Costs	\$ 1,294,092
Other	<u>\$ 59,867</u>
<b>Total Uses</b>	<b>\$10,130,267</b>

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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:** 70 out of 148 or 128  
[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$7,425,000 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: Non-Mixed Income Project Mixed Income Project	35	15	30
Gross Rents	5	5	5
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Exceeding Minimum Term of Restrictions	10	10	10
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	5
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	NA
<b>Total Points</b>	<b>148</b>	<b>128</b>	<b>70</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.