

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
November 17, 2010
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Crystal Alvarez

Applicant: California Housing Finance Agency

Allocation Amount Requested:
Tax-exempt: \$3,300,000

Project Information:
Name: Jerron Place Apartments
Project Address: 1730 Jerron Place Apartments
Project City, County, Zip Code: Sacramento, Sacramento, 95825

Project Sponsor Information:
Name: Bellwood Jerron Apartments, LP (Bellwood Jerron Holdings, LLC and Western Community Housing, Inc.)
Principals: Dell Loy Hansen, Graham Espley-Jones, Leanne Truofreh, Kipling Sheppard, Jeff Nielson, Brad Mishler, Joel Larson, Tony Hladeck, JD Neilson and Corey Johnson.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Prudential Affordable Mortgage Company/ Freddie Mac
Credit Enhancement Provider: Prudential Affordable Mortgage Company/ Freddie Mac
TEFRA Hearing Date: August 17, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 39, 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%
21% (8 units) restricted to 50% or less of area median income households.
79% (31 units) restricted to 60% or less of area median income households.
Unit Mix: 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	4,389,811	
Estimated Hard Costs per Unit:	\$	16,505	(\$643,680 /39 units)
Estimated per Unit Cost:	\$	112,559	(\$4,389,811 /39 units)
Allocation per Unit:	\$	84,615	(\$3,300,000 /39 units)
Allocation per Restricted Rental Unit:	\$	84,615	(\$3,300,000 /39 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 3,300,000	\$ 3,300,000
Developer Note	\$ 0	\$ 188,522
LIH Tax Credit Equity	\$ 901,289	\$ 901,289
Cost paid at Perm Closing	\$ 188,522	\$ 0
Total Sources	\$ 4,389,811	\$ 4,389,811

Uses of Funds:	
Acquisition Cost	\$ 2,600,000
Hard Construction Costs	\$ 643,680
Architect & Engineering Fees	\$ 48,000
Contractor Overhead & Profit	\$ 35,760
Developer Fee	\$ 504,834
Cost of Issuance	\$ 121,983
Contingency, TCAC, Closing, Reserve	\$ 435,554
Total Uses	\$ 4,389,811

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 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$3,300,000 in tax exempt bond allocation on a carryforward basis.

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]	0
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	10
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	5
Negative Points	-10	-10	0
Total Points	118	98	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.