

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: Richard Fischer

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**Applicant:** California Housing Finance Agency

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**Allocation Amount Requested:**

**Tax-exempt:** \$6,650,000  
**Taxable:** \$3,793,730

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**Project Information:**

**Name:** Westview Terrace Apartments  
**Project Address:** 287 West Westward Avenue  
**Project City, County, Zip Code:** Banning, Riverside, 92220

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**Project Sponsor Information:**

**Name:** Banning Leased Housing Associates I, L.P.(Central Valley Coalition for Affordable Housing Corporation and Banning Leased Housing Associates I, LLC)  
**Principals:** Alan Jenkins, Jennifer Bertuccio, Renee Downum and Chris Alley for Central Valley Coalition for Affordable Housing Corporation; David L. Brierton, Jack W. Safar, Armand E. Brachman, Paul R. Sween, Jeffrey R. Huggett, Mark S. Moorhouse, Christopher P. Barnes and Dominion Development & Acquisition, LLC for Banning Leased Housing Associates I, LLC.

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**Project Financing Information:**

**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Prudential Affordable Mortgage Corporation  
**Private Placement Purchaser:** US Treasury Department (Freddie Mac)  
**TEFRA Hearing Date:** September 20, 2010

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 74, 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%  
58% (43 units) restricted to 50% or less of area median income households.  
42% (31 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2, 3 & 4 bedrooms

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**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$	14,032,231	
<b>Estimated Hard Costs per Unit:</b>	\$	46,927	(\$3,472,567 /74 units)
<b>Estimated per Unit Cost:</b>	\$	189,625	(\$14,032,231 /74 units)
<b>Allocation per Unit:</b>	\$	89,865	(\$6,650,000 /74 units)
<b>Allocation per Restricted Rental Unit:</b>	\$	89,865	(\$6,650,000 /74 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 6,650,000	\$ 6,650,000
Taxable Bond Proceeds	\$ 3,793,730	\$ 0
Deferred Developer Fee	\$ 0	\$ 477,921
LIH Tax Credit Equity	\$ 665,853	\$ 3,329,264
Direct & Indirect Public Funds	\$ 500,000	\$ 3,333,000
Other (Reserves from Seller, Income for Operations)	\$ 242,046	\$ 242,046
<b>Total Sources</b>	<b>\$ 11,851,629</b>	<b>\$ 14,032,231</b>

<b>Uses of Funds:</b>	
Acquisition Cost	\$ 6,300,000
On & Off Site Costs	\$ 413,356
Hard Construction Costs	\$ 3,059,211
Architect & Engineering Fees	\$ 187,000
Contractor Overhead & Profit	\$ 428,289
Developer Fee	\$ 1,494,552
Cost of Issuance	\$ 184,803
Other Soft Costs (Marketing, Legal, Reserves, etc.)	\$ 1,965,020
<b>Total Uses</b>	<b>\$ 14,032,231</b>

**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:** 75.5 out of 128  
 [See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$6,650,000 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	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>75.5</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.