

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 22, 2010
Staff Report
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: John Weir

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$29,000,000

Project Information:
Name: Long Beach Senior Artists Colony Apartments
Project Address: 200 East Anaheim
Project City, County, Zip Code: Long Beach, Los Angeles, 90813

Project Sponsor Information:
Name: Long Beach Senior Artists Colony, LP (Century Affordable Development, Inc., Long Beach Senior Artists Colony, LLC, and John M. Huskey)
Principals: Stephen J. Peelor, Ronald M. Griffith and Allan Hoffman for Century Affordable Development, Inc., John M. Huskey, Kasey Burke, Rutzel Castillo and George Russo for Long Beach Senior Artists Colony, LLC.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: City Community Capital
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citigroup Global Markets Inc./California Community Reinvestment Corp.
TEFRA Hearing Date: August 10, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 160, plus 1 manager unit
Type: New Construction
Type of Units: Senior Citizens

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
22% (35 units) restricted to 50% or less of area median income households.
78% (125 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1 & 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 54,611,819	
Estimated Hard Costs per Unit:	\$ 170,205	(\$27,232,862 /160 units)
Estimated per Unit Cost:	\$ 341,324	(\$54,611,819 /160 units)
Allocation per Unit:	\$ 181,250	(\$29,000,000 /160 units)
Allocation per Restricted Rental Unit:	\$ 181,250	(\$29,000,000 /160 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 29,000,000	\$ 11,035,257
Deferred Developer Fee	\$ 2,010,761	\$ 1,591,519
LIH Tax Credit Equity	\$	\$ 14,424,583
Direct & Indirect Public Funds	\$ 23,601,058	\$ 27,560,461
Total Sources	\$ 54,611,819	\$ 54,611,820

Uses of Funds:	
Land Purchase	\$ 8,285,000
On & Off Site Costs	\$ 2,702,460
Hard Construction Costs	\$ 24,530,402
Architect & Engineering Fees	\$ 2,652,110
Contractor Overhead & Profit	\$ 1,413,242
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 199,212
Capitalized Interest	\$ 2,706,475
Other Soft Costs	\$ 9,622,918
Total Uses	\$ 54,611,819

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: 104 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$29,000,000 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:	35	15	31
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	10
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	104

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.