

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**May 27, 2009**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: *Brady Hill*

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**Applicant:** California Statewide Communities Development Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$3,690,000

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**Project Information:**  
**Name:** Hudson Park I & II Apartments  
**Project Address:** 431 E. Euclid Avenue (Hudson Park I Apartments)  
431 E. Ash Street (Hudson Park II Apartments)  
**Project City, County, Zip Code:** Shafter, Kern, 93263

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**Project Sponsor Information:**  
**Name:** Kern 2008 Community Partners, LP (Kern 2008 Community Partners, LLC)  
**Principals:** Wilfred N. Cooper, Jr.

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Bonneville Mortgage Company  
**TEFRA Hearing:** April 21, 2009

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**Description of Proposed Project:**  
**State Ceiling Pool:** Rural  
**Total Number of Units:** 82, plus 2 manager units  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Family/Federally Assisted At-Risk

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project:** 100%  
32% (26 units) restricted to 50% or less of area median income households.  
68% (56 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2 & 3 bedrooms

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**Term of Restrictions:**  
**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$	7,561,514	
<b>Estimated Hard Costs per Unit:</b>	\$	17,160	(\$1,407,148 /82 units)
<b>Estimated per Unit Cost:</b>	\$	92,214	(\$7,561,514 /82 units)
<b>Allocation per Unit:</b>	\$	45,000	(\$3,690,000 /82 units)
<b>Allocation per Restricted Rental Unit:</b>	\$	45,000	(\$3,690,000 /82 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 3,690,000	\$ 2,365,000
Deferred Developer Fee	\$ 421,076	\$ 421,076
LIH Tax Credit Equity	\$ 453,945	\$ 1,778,945
Direct & Indirect Public Funds	\$ 2,835,477	\$ 2,835,477
Other (RD Reserves)	\$ 161,016	\$ 161,016
<b>Total Sources</b>	<b>\$ 7,561,514</b>	<b>\$ 7,561,514</b>

<b>Uses of Funds:</b>	
Acquisition Costs	\$ 4,066,616
Hard Construction/Rehabilitation Costs	\$ 1,407,148
Architect & Engineering Fees	\$ 63,000
Contractor Overhead & Profit	\$ 222,923
Developer Fee	\$ 834,897
Relocation	\$ 5,000
Cost of Issuance	\$ 108,163
Financing Placement	\$ 231,597
Reserves (Operating and Private RA)	\$ 156,340
Capitalized Interest	\$ 9,514
Other Soft Costs	\$ 456,316
<b>Total Uses</b>	<b>\$ 7,561,514</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:** 65 out of 128  
 [See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$3,690,000 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	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	0
New Construction	10	10	0
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>65</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.