

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 26, 2010
Staff Report
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: John Weir

Applicant: California Housing Finance Agency

Allocation Amount Requested:
Tax-exempt: \$23,890,000

Project Information:
Name: Belovida at Newbury Park Senior Apartments
Project Address: 1777 Newbury Park Drive
Project City, County, Zip Code: San Jose, Santa Clara, 95133

Project Sponsor Information:
Name: Belovida at Newbury Park, L.P. (Core Belovida Newbury, LLC, Core Affordable Housing, LLC, and Cecilia Place Homes, Inc.)
Principals: David Neale, Christopher J. E. Neale, Mary Murtagh, Alvin Bonnett, Mechael Farrel, and Matthew Steinle.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: RBC Capital Markets Corporation
Credit Enhancement Provider: Prudential Affordable Mortgage Company/Freddie Mac
Private Placement Purchaser: Not Applicable
TEFRA Hearing Date: April 28, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 184, 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%
100% (184 units) restricted to 50% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	51,064,752	
Estimated Hard Costs per Unit:	\$	151,022	(\$27,787,964 /184 units)
Estimated per Unit Cost:	\$	277,526	(\$51,064,752 /184 units)
Allocation per Unit:	\$	129,837	(\$23,890,000 /184 units)
Allocation per Restricted Rental Unit:	\$	129,837	(\$23,890,000 /184 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 23,890,000	\$ 12,500,000
Developer Equity	\$ 3,000	\$ 59,806
Deferred Developer Fee	\$ 1,698,227	\$ 1,236,972
LIH Tax Credit Equity	\$ 1,858,588	\$ 12,390,584
Direct & Indirect Public Funds	\$ 13,654,551	\$ 24,877,390
City of San Jose Land Acq. Loan	\$ 9,960,386	\$ 0
Total Sources	\$ 51,064,752	\$ 51,064,752

Uses of Funds:	
Land Purchase	\$ 9,027,978
On & Off Site Costs	\$ 4,327,693
Hard Construction Costs	\$ 23,460,271
Architect & Engineering Fees	\$ 1,006,677
Contractor Overhead & Profit	\$ 1,782,009
Developer Fee	\$ 1,400,000
Cost of Issuance	\$ 432,050
Capitalized Interest	\$ 2,764,221
Other Soft Costs	\$ 6,863,853
Total Uses	\$ 51,064,752

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: 80.6 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$23,890,000 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	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	7.6
Gross Rents	5	5	0
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	10
New Construction	10	10	10
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	118	98	80.6

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.