

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 25, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Brady Hill.

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$2,690,000

Project Name: Cedarwood Apartments
Project Address: 24845 Fort Crook Avenue
Project City, County, Zip Code: Fall River Mills, Shasta, 96028

Project Sponsor Information:
Name: HPD Cedarwood LP (HPD Cedarwood LLC and
Hearthstone Housing Foundation)
Principals: Gary P. Downs, Kristoffer J. Kaufmann and William
E. Rice for HPD Cedarwood LLC; Socorro Vasquez
and Juan Maldonado for Hearthstone Housing
Foundation

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Washington Mutual Bank
TEFRA Hearing: June 19, 2007

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 37, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family, Federally Assisted At-Risk

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
49% (18 units) restricted to 50% or less of area median income households; and
51% (19 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 and 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$5,247,844
Estimated Hard Costs per Unit:	\$ 41,081 (\$1,520,000/37 units)
Estimated per Unit Cost:	\$ 141,834 (\$5,247,844/37 units)
Allocation per Unit:	\$ 72,703 (\$2,690,000/37 units)
Allocation per Restricted Rental Unit:	\$ 72,703 (\$2,690,000/37 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$2,690,000	\$ 750,000
Deferred Developer Fee	\$ 0	\$ 37,136
LIH Tax Credit Equity	\$ 808,354	\$1,616,448
Direct & Indirect Public Funds	<u>\$1,370,000</u>	<u>\$2,844,000</u>
Total Sources	\$4,868,354	\$5,247,584

Uses of Funds:	
Acquisition	\$2,051,500
Rehabilitation	\$1,763,200
Relocation	\$ 0
Architectural	\$ 25,000
Survey & Engineering	\$ 15,000
Contingency Costs	\$ 152,000
Construction Period Expenses	\$ 114,575
Permanent Financing Expenses	\$ 6,875
Legal Fees	\$ 142,000
Capitalized Reserves	\$ 107,850
Reports & Studies	\$ 24,250
Developer Costs	\$ 610,234
Other	<u>\$ 235,360</u>
Total Uses	\$5,247,584

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: 80.5 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$2,690,000 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	20
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	35	15	35
Gross Rents	5	5	5
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	0
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	2.5
Service Amenities	10	10	0
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	128	108	80.5

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.