

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 24, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard C. Fischer

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: **Tax-exempt:** \$8,450,000

Project Information:

Name: New Hope Homes Apartments
Project Address: 1150 New York Street
Project City, County, Zip Code: Long Beach, Los Angeles, 90813

Project Sponsor Information:

Name: New Hope Home, L.P. (New Hope Home, Inc.)
Principals: Reverend R.R. English, Alisha Wade and Debra English Johnson

Project Financing Information:

Bond Counsel: Orrick, Herrington and Sutcliff LLP
Underwriter: Hutchinson, Shockey, Erley & Co.
Credit Enhancement Provider: Centerline Capital Group-Freddie Mac
Private Placement Purchaser: Not applicable
TEFRA Hearing: August 19, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 139, plus 1 manager's unit
Type: Acquisition and Rehabilitation
Type of Units: Senior Citizens/Federal At-Risk

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
20.1% (28 units) restricted to 50% or less of area median income households.
79.9% (111 units) restricted to 60% or less of area median income households.
Unit Mix: Studio and 1-bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$17,246,728	
Estimated Hard Costs per Unit:	\$35,904	(\$4,990,720 / 139 units)
Estimated per Unit Cost:	\$124,077	(\$17,246,728 / 139 units)
Allocation per Unit:	\$60,791	(\$8,450,000 / 139 units)
Allocation per Restricted Rental Unit:	\$60,791	(\$8,450,000 / 139 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 8,450,000	\$ 4,217,453
Taxable Bond Proceeds	\$	\$
Deferred Developer Equity	\$	\$ 1,638,113
LIH Tax Credit Equity	\$ 2,806,728	\$ 5,401,162
Direct & Indirect Public Funds	\$	\$
Other(Owner Equity, Interest Income)	\$ 5,990,000	\$ 5,990,000
Total Sources	\$ 17,246,728	\$ 17,246,728

Uses of Funds:	
Acquisition Costs	\$ 7,530,000
Hard Construction Costs	\$ 4,990,720
Architect & Engineering Fees	\$ 151,750
Contractor Overhead & Profit	\$ 627,200
Developer Fee	\$ 2,030,951
Relocation	\$ 140,000
Cost of Issuance	\$ 541,484
Capitalized Interest	\$ 443,625
Other Soft Costs	\$ 790,998
Total Uses	\$ 17,246,728

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: 85.5 out of 138

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$8,450,000 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	30
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	0
Exceeding Minimum Term of Restrictions	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	128	0	85.5

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.