

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: Richard Fischer

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:

Tax-exempt: \$898,100

The amount of allocation requested is supplemental to the \$9,101,900 of allocation the Project received on December 16, 2009.

Project Information:

Name: New Hope Home Apartments
Project Address: 1150 East 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 & Sutcliffe LLP
Underwriter: Hutchinson, Shockey, Erley & Co.
Credit Enhancement Provider: PNC Bank, N.A (HUD 221d4 & GNMA)
TEFRA Hearing Date: April 20, 2010

Description of Proposed Project:

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

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
20% (28 units) restricted to 50% or less of area median income households.
80% (111 units) restricted to 60% or less of area median income households.
Unit Mix: Studio & 1 bedroom

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 20,289,302	
Estimated Hard Costs per Unit:	\$ 35,644	(\$4,954,515 /139 units)
Estimated per Unit Cost:	\$ 145,966	(\$20,289,302 /139 units)
Allocation per Unit:	\$ \$71,942	(\$898,100 /139 units)
Allocation per Restricted Rental Unit:	\$ 71,942	(\$898,100 /139 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 10,000,000	\$ 9,101,900
Developer Equity	\$ 2,412,205	\$ 0
Deferred Developer Fee	\$ 0	\$ 979,768
LIH Tax Credit Equity	\$ 2,610,592	\$ 4,941,129
Other (Seller Note)	\$ 5,266,505	\$ 5,266,505
Total Sources	\$ 20,289,302	\$ 20,289,302

Uses of Funds:	
Acquisition Costs	\$ 7,780,000
Rehabilitation Costs	\$ 7,436,220
Relocation	\$ 140,000
Architectural	\$ 74,750
Survey & Engineering	\$ 7,225
Contingency Costs	\$ 25,298
Construction Period Expenses	\$ 716,395
Permanent Financing Expenses	\$ 351,262
Legal Fees	\$ 195,000
Capitalized Reserves	\$ 816,962
Reports & Studies	\$ 15,000
Other (Marketing, Fees)	\$ 336,358
Developer Costs	\$ 2,394,832
Total Uses	\$ 20,289,302

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.

Recommendation:

Staff recommends that the Committee approve \$898,100 in tax exempt bond allocation.