

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
January 27, 2010  
Staff Report  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A  
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: John Weir

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**Applicant:** City of San Jose

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**Allocation Amount Requested:**  
**Tax-exempt:** \$23,590,000

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**Project Information:**  
**Name:** Belovida at Newbury Park Senior Apartments  
**Project Address:** 1777 Newbury Park Drive  
**Project City, County, Zip Code:** San Jose, Santa Clara, 95133-1709

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**Project Sponsor Information:**  
**Name:** Belovida at Newbury Park, L.P. (Core Belovida Newbury, LLC, Core Affordable Housing, LLC and EAH, Inc.)  
**Principals:** David Neale, Chris Neale, and Dixie Baus for Core Belovida Newbury, LLC and Core Affordable Housing, LLC and Mary Murtagh and Laura Hall for EAH, Inc.

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Bank of America, N.A.  
**TEFRA Hearing Date:** March 13, 2009

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**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

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**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.  
       (0 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1 bedroom

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

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 47,191,601	
<b>Estimated Hard Costs per Unit:</b>	\$ 140,395	(\$25,832,733 /184 units)
<b>Estimated per Unit Cost:</b>	\$ 256,476	(\$47,191,601 /184 units)
<b>Allocation per Unit:</b>	\$ 128,207	(\$23,590,000 /184 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 128,207	(\$23,590,000 /184 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 23,590,000	\$ 10,800,000
Developer Equity	\$ 3,000	\$ 3,000
Deferred Developer Fee	\$ 1,351,041	\$ 0
LIH Tax Credit Equity	\$ 1,755,953	\$ 11,706,356
Direct & Indirect Public Funds	\$ 10,531,221	\$ 24,142,368
Other (City of San Jose Land Acq. Loan)	\$ 9,960,386	\$ 539,877
<b>Total Sources</b>	<b>\$ 47,191,601</b>	<b>\$ 47,191,601</b>

<b>Uses of Funds:</b>	
Land Purchase	\$ 9,010,386
On & Off Site Costs	\$ 4,119,193
Hard Construction Costs	\$ 21,713,540
Architect & Engineering Fees	\$ 956,677
Contractor Overhead & Profit	\$ 1,863,990
Developer Fee	\$ 1,400,000
Cost of Issuance	\$ 195,410
Capitalized Interest	\$ 2,246,200
Other Soft Costs	\$ 5,686,205
<b>Total Uses</b>	<b>\$ 47,191,601</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:** 88 out of 118  
 [See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$23,590,000 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]	7.5
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	2.5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
<b>Total Points</b>	<b>118</b>	<b>98</b>	<b>88</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.