

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 23, 2009
Staff Report
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: Sarah Lester

Applicant: ABAG Finance Authority for Nonprofit Corporations

Allocation Amount Requested:
Tax-exempt: \$15,520,000

Project Information:
Name: Vintage Oak Senior Apartments
Project Address: 7340 Stock Ranch Road
Project City, County, Zip Code: Citrus Heights, Sacramento, 95621

Project Sponsor Information:
Name: Vintage Oaks Senior Apartments, LP (USA Vintage Oaks, Inc. and Riverside Charitable Corporation)
Principals: Geoffrey C. Brown, Edward R. Herzog, Stacie Altman, Michael J. McCleery, Karen McCurdy for USA Vintage Oaks, Inc.; and Ken Robertson, Craig Gillett, Penny LaRue, Stewart Hall, Trisha Hockings and Gregg Rogers for Riverside Charitable Corporations

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Private Placement Purchaser: Citibank, N.A.
TEFRA Hearing Date: July 23, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 240, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Senior Citizens

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
50% (120 units) restricted to 50% or less of area median income households.
50% (120 units) restricted to 60% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	25,768,826	
Estimated Hard Costs per Unit:	\$	22,098	(\$5,303,446 /240 units)
Estimated per Unit Cost:	\$	107,370	(\$25,768,826 /240 units)
Allocation per Unit:	\$	64,667	(\$15,520,000 /240 units)
Allocation per Restricted Rental Unit:	\$	64,667	(\$15,520,000 /240 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 15,520,000	\$ 15,520,000
Developer Equity	\$	\$ 777,747
LIH Tax Credit Equity	\$ 5,281,097	\$ 5,867,886
Other - Solar Rebates	\$ 944,142	\$ 1,300,000
Other - Seller Carryback Note	\$ 1,000,000	\$ 0
Other - Solar Rebates (SMUD)	\$ 0	\$ 1,187,000
Other - Lender LOC	\$ 1,000,000	\$ 0
Other - Deferred Fees/Costs	\$ 3,473,587	\$ 0
Other - Net Operating Income	\$ 0	\$ 1,116,193
Less: Bond Proceeds Holdback	\$ -1,450,000	\$ 0
Total Sources	\$ 25,768,826	\$ 25,768,826

Uses of Funds:	
Acquisition Costs	\$ 14,000,000
On & Off Site Costs	\$ 245,000
Hard Construction Costs	\$ 5,058,446
Architect & Engineering Fees	\$ 15,000
Contractor Overhead & Profit	\$ 525,041
Developer Fee	\$ 2,500,000
Relocation	\$ 5,000
Cost of Issuance	\$ 250,000
Capitalized Interest	\$ 925,768
Other Soft Costs	\$ 2,244,571
Total Uses	\$ 25,768,826

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: 60.5 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$15,520,000 in tax exempt bond allocation on a carryforward basis. The CDLAC bond issuance deadline shall be 1) the project specific California Tax Credit Allocation Committee closing deadline for January 27, 2010 TCAP/Exchange awards or 2) August 25, 2010 for those applicants unsuccessful in obtaining a TCAP/Exchange award on January 27, 2010.

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]	0
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	0
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	118	98	60.5

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.