

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 28, 2010
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: John Weir

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:

Tax-exempt: \$18,500,000

Project Information:

Name: Vintage at Snowberry Senior Apartments
Project Address: 8402/8404 Colorado Ave.
Project City, County, Zip Code: Riverside, Riverside, 92504

Project Sponsor Information:

Name: Snowberry Senior Apartments, L.P. (USA Snowberry Seniors, Inc. and Riverside Charitable Corporation)
Principals: Geoffrey C. Brown, Edward R. Herzog, Michael J. McCleery, and Karen McCurdy for USA Snowberry Seniors, Inc. and Ken Robertson, Craig Gillett, Stewart Hall, Trisha Hockings, and Gregg Rogers for Riverside Charitable Corporation.

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Merchant Capital, L.L.C.
Credit Enhancement Provider: Prudential Affordable Mortgage Company/Freddie Mac
Private Placement Purchaser: Not Applicable
TEFRA Hearing Date: April 14, 2010

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 222, plus 2 manager units
Type: New Construction
Type of Units: Senior Citizens

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

29% (64 units) restricted to 50% or less of area median income households.
71% (158 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:	\$	34,570,170	
Estimated Hard Costs per Unit:	\$	75,549	(\$16,771,790 /222 units)
Estimated per Unit Cost:	\$	155,721	(\$34,570,170 /222 units)
Allocation per Unit:	\$	83,333	(\$18,500,000 /222 units)
Allocation per Restricted Rental Unit:	\$	83,333	(\$18,500,000 /222 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 18,500,000	\$ 15,900,000
Deferred Developer Fee	\$ 658,777	\$ 2,658,777
LIH Tax Credit Equity	\$ 6,665,930	\$ 9,164,611
Direct & Indirect Public Funds	\$ 4,050,000	\$ 6,122,400
Other	\$ 4,695,463	\$ 724,382
Total Sources	<u>\$ 34,570,170</u>	<u>\$ 34,570,170</u>

Uses of Funds:	
Land Purchase	\$ 5,350,000
On & Off Site Costs	\$ 4,209,915
Hard Construction Costs	\$ 12,561,875
Architect & Engineering Fees	\$ 512,147
Contractor Overhead & Profit	\$ 1,761,038
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 275,000
Capitalized Interest	\$ 2,442,000
Other Soft Costs	\$ 4,958,195
Total Uses	<u>\$ 34,570,170</u>

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: 69.5 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$18,500,000 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	34
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	0
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	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	69.5

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.