

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 18, 2011
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: \$31,550,000

Project Information:
Name: Amanda Park Apartments
Project Address: 24425 Skyview Ridge Drive
Project City, County, Zip Code: Murrieta, Riverside, 92562

Project Sponsor Information:
Name: Amanda Park Apartments L.P. (USA Amanda Park, Inc and Riverside Charitable Corporation)
Principals: Geoffrey C. Brown, Edward R. Herzog, Michael J. McCleery, Karen McCurdy, Darren Bobrowsky, Valerie Silva and Amber Dymek for USA Amanda Park, Inc.; Ken Robertson, Craig Gillett, Penny LaRue, Stewart Hall, Trisha Hockings and Gregg Rogers for Riverside Charitable Corporation.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Citibank, N.A. as Fannie Mae Delegated Lender
Credit Enhancement Provider: Citibank, N.A. as Fannie Mae Delegated Lender
TEFRA Hearing Date: April 5, 2011

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 393, plus 4 manager units
Type: Acquisition and Rehabilitation
Type of Units: Senior Citizens

The Project is a privately gated with meandering walkways that consists of twenty-six two story apartment buildings, a pool house and leasing office with 396 covered parking spaces and 192 uncovered parking spaces including 23 handicap spaces. A typical building consists of eight units each. The Property has a 6,000 square foot Clubhouse which includes the leasing office, three community rooms, fitness center, beauty salon, billiards room, full service kitchen, bathrooms and adjoining pool and spa area. There are four laundry facilities and an additional two spas on site as well.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 85%
10% (40 units) restricted to 50% or less of area median income households.
75% (296 units) restricted to 60% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

The Project will be providing; educational classes such as English as a Second Language and computer training, but which are not the same as after school programs and contract for services such as assistance with daily living activities or provision of senior counseling services.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost: \$ 47,798,673
Estimated Hard Costs per Unit: \$ 12,909 (\$5,073,297 /393 units)
Estimated per Unit Cost: \$ 121,625 (\$47,798,673 /393 units)
Allocation per Unit: \$ 93,899 (\$31,550,000 /393 units)
Allocation per Restricted Rental Unit: \$ 80,280 (\$31,550,000 /336 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 31,550,000	\$ 31,550,000
Developer Equity	\$ 2,500,000	\$ 1,324,125
LIH Tax Credit Equity	\$ 9,936,291	\$ 10,587,166
Other (NOI during Const. & Solar Grant)	\$ 3,812,382	\$ 4,337,382
Total Sources	\$ 47,798,673	\$ 47,798,673

Uses of Funds:	
Acquisition Cost	\$ 34,400,000
Hard Construction Costs	\$ 5,073,297
Architect & Engineering Fees	\$ 50,000
Contractor Overhead & Profit	\$ 443,936
Developer Fee	\$ 2,500,000
Relocation	\$ 75,000
Cost of Issuance	\$ 711,363
Capitalized Interest	\$ 2,701,590
Other Soft Costs	\$ 1,843,487
Total Uses	\$ 47,798,673

Description of Financial Structure and Bond Issuance:

Amanda Park Apartments L.P. has entered into an exclusive agreement with Citibank, N.A. to arrange credit enhancement. This New Issue Bond Program Project will have Fannie Mae provide the direct pay Credit Enhancement enabling the AAA rating. The anticipated bond closing and credit enhancement delivery is July 21, 2011. The mortgage loan term and credit enhancement for construction/ permanent loan in the amount of \$28,850,000 is 30 years with a 35 year amortization with an interest rate of 4.682%. Additionally, there will be privately placed tax exempt bonds held by USA Properties Fund, Inc. in the amount of \$2,700,000 with an interest rate of 10% payable from available cash flow and secured by a second deed of trust.

Analyst Comments:

New Issue Bond Program Project.

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: 62.3 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$31,500,000 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	22
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	7.3
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	10
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	62.3

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.