

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**September 18, 2013**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Crystal Alvarez*

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**Applicant:** California Statewide Communities Development Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$6,190,195

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**Project Information:**  
**Name:** Rocky Hill Apartments  
**Project Address:** 205, 207, 213, 219, 225, 231, 237, 243, 249, 255 Bennett Hill Ct.  
225 and 231 Bennett Hill Drive  
470 and 480 Rocky Hill Road  
110 Meadows Drive  
**Project City, County, Zip Code:** Vacaville, Solano, 95688

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**Project Sponsor Information:**  
**Name:** Rocky Hill Investors, L.P. (Cyrus Youssefi, Ali Youssefi and Egis Group, Inc. and Vacaville Community Housing)  
**Principals:** Cyrus Youssefi and Ali Youssefi individually; John Cicerone for Egis Group, Inc.; Charles Learned, Cassandra C. Patton, Ernest Kimme and Ed Forrest for Vacaville Community Housing, Inc.  
**Property Management Company:** C.F.Y. Development, Inc.

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Private Placement Purchaser:** JP Morgan Chase Bank, N.A. (Construction) / California Community Reinvestment Corporation (Permanent)  
**TEFRA Hearing Date:** August 13, 2013

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 63, plus 1 manager unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Family

The Rocky Hill Apartments is a scattered site project consisting of 15 multi-family buildings with a total of 64 units. The project includes one (1) on-site manager's office, a pool and laundry facility. The buildings are wood framed with painted stucco and stone siding on concrete slabs. The following improvements are planned to upgrade the project: landscaping and drainage, exterior lighting, sealing and re-stripling the parking lot, exterior staircases and rooftops as needed. Each units will be rehabilitated as needed with new water heaters, refrigerators, windows, cabinets, countertops, sinks, faucets, toilets, flooring and window blinds.



**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
32% (20 units) restricted to 50% or less of area median income households.  
68% (43 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1 & 2 bedrooms

No service amenities will be provided.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 11,392,203	
<b>Estimated Hard Costs per Unit:</b>	\$ 36,995	(\$2,330,686 /63 units)
<b>Estimated per Unit Cost:</b>	\$ 180,829	(\$11,392,203 /63 units)
<b>Allocation per Unit:</b>	\$ 98,257	(\$6,190,195 /63 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 98,257	(\$6,190,195 /63 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 6,190,195	\$ 4,294,840
Deferred Developer Fee	\$ 1,108,831	\$ 215,712
LIH Tax Credit Equity	\$ 573,241	\$ 2,502,704
Direct & Indirect Public Funds	\$ 3,378,947	\$ 4,378,947
Other (Deferred Operating Reserve)	\$ 140,990	\$ 0
<b>Total Sources</b>	<b>\$ 11,392,204</b>	<b>\$ 11,392,203</b>

<b>Uses of Funds:</b>	
Acquisition/Land Purchase	\$ 6,085,690
On & Off Site Costs	\$ 250,000
Hard Construction Costs	\$ 2,080,686
Architect & Engineering Fees	\$ 45,000
Contractor Overhead & Profit	\$ 186,455
Developer Fee	\$ 1,108,831
Relocation	\$ 194,910
Cost of Issuance	\$ 284,000
Capitalized Interest	\$ 120,000
Other Soft Costs (Marketing, etc.)	\$ 1,036,631
<b>Total Uses</b>	<b>\$ 11,392,203</b>

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**Description of Financial Structure and Bond Issuance:**

The tax-exempt bond allocation will be privately placed with Citibank, N.A. The bank has committed to providing the construction loan while the permanent loan will be purchased by California Community Reinvestment Corporation. The construction loan will carry a fixed rate, based on the LIBOR plus 165 basis points for a period of 24 months. The permanent loan will carry a 15 year term and 35 year amortization. The permanent loan will be set with a fixed rate equal to the sum of a 15 year maturity "AAA" muni bond index plus a spread of 175 basis points. The rate is currently 5.25%.

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**Analyst Comments:**

Not Applicable

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**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.

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**Total Points:**

60 out of 130

[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$6,190,195 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]	0
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	10
Service Amenities	10	10	0
New Construction	10	10	0
Sustainable Building Methods	10	10	0
Negative Points	-10	-10	0
<b>Total Points</b>	<b>130</b>	<b>100</b>	<b>60</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.