

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**May 23, 2007**  
**Executive Summary**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by Walter Akiyama.*

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**Applicant:** County of Contra Costa

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**Allocation Amount Requested:** Tax-exempt \$12,500,000

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**Project Name:** Riverstone Apartments  
**Project Address:** 2200 Sycamore Drive  
**Project City, County, Zip Code:** Antioch, Contra Costa, 94509

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**Project Sponsor Information:**  
**Name:** Riverstone Apartments, L.P.  
(USA Properties Fund, Inc. and  
Riverside Charitable Corp.)  
**Principals:** Geoffrey C. Brown, Edward R. Herzog, Michael J.  
McCleery, Karen McCurdy, Kenneth S. Robertson,  
Penny M. LaRue, Trisha Hockings and Stewart Hall

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**Project Financing Information:**  
**Bond Counsel:** Quint & Thimmig, LLP  
**Underwriter:** Not applicable  
**Credit Enhancement Provider:** Not applicable  
**Private Placement Purchaser:** Red Stone Partners, LLC  
**TEFRA Hearing:** April 3, 2007

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 134, plus 2 manager units  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Family

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project: 100%**  
10% (14 units) restricted to 50% or less of area median income households; and  
90% (120 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 2 bedrooms

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**Term of Restrictions:** 55 years

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**Estimated Total Development Cost:** \$23,987,362  
**Estimated Hard Costs per Unit:** \$ 32,672 (\$4,377,963/134units)  
**Estimated per Unit Cost:** \$ 179,010 (\$23,987,362 /134 units)  
**Allocation per Unit:** \$ 93,284 (\$12,500,000/134 units)  
**Allocation per Restricted Rental Unit:** \$ 93,284 (\$12,500,000/134 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 12,500,000	\$11,650,000
LIH Tax Credit Equity	\$ 7,012,406	\$ 8,153,961
Direct & Indirect Public Funds	\$ 2,025,000	\$ 2,025,000
Other (net operating income)	\$ 400,000	\$ 0
Other (developer note)	\$ 0	\$ 2,158,401
Total Sources	\$21,937,406	\$23,987,362

<b>Uses of Funds:</b>	
Acquisition Cost	\$15,000,000
On-Site & Off-Site Costs	\$ 641,063
Hard Construction Costs	\$ 3,736,900
Architect & Engineering Fees	\$ 30,000
Contractor Overhead & Profit	\$ 298,057
Developer Fee	\$ 2,500,000
Relocation	\$ 227,500
Cost of Issuance	\$ 290,700
Capitalized Interest	\$ 706,250
Other Soft Costs	\$ 556,892
Total Uses	\$23,987,362

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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. Legal issues disclosed by the Project Sponsor were vetted and were not determined to be grounds to deny the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

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**Total Points:** 61.4 out of 128  
[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$12,500,000 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: Non-Mixed Income Project Mixed Income Project	35	15	25
Gross Rents	5	5	5
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	0
Large Family Units	5	5	0
Leveraging	10	10	9.4
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	10
Sustainable Building Methods	8	8	2
New Construction	10	10	0
Negative Points	NA	NA	0
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>61.4</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.