

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 22, 2010
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: \$5,000,000

Project Information:
Name: Terracina at Vineyard Apartments
Project Address: 8861 Vintage Park Drive
Project City, County, Zip Code: Sacramento, Sacramento, 95828

Project Sponsor Information:
Name: Terracina Vineyard Apartments, LP (USA Terracina Vineyard, Inc. and Riverside Charitable Corporation)
Principals: Geoffrey C. Brown, Edward R. Herzog, Michael J. McCleery, Karen McCurdy, Stacie Altmann for USA Terracina Vineyard, Inc. and 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: Merchant Capital, L.L.C.
Credit Enhancement Provider: Citibank, N.A. (Freddie Mac)
Private Placement Purchaser: Not Applicable
TEFRA Hearing Date: July 27, 2010

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

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
21% (13 units) restricted to 50% or less of area median income households.
79% (50 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	7,093,174	
Estimated Hard Costs per Unit:	\$	20,114	(\$1,267,200 /63 units)
Estimated per Unit Cost:	\$	112,590	(\$7,093,174 /63 units)
Allocation per Unit:	\$	79,365	(\$5,000,000 /63 units)
Allocation per Restricted Rental Unit:	\$	79,365	(\$5,000,000 /63 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 4,680,000	\$ 5,000,000
Developer Equity	\$ 930,332	\$ 0
Deferred Developer Fee	\$ 0	\$ 108,732
LIH Tax Credit Equity	\$ 1,057,843	\$ 1,653,384
Other (Deferred Fees/Costs)	\$ 149,117	\$
Other (NOI)	\$ 275,882	\$ 331,058
Total Sources	\$ 7,093,174	\$ 7,093,174

Uses of Funds:	
Acquisition Cost	\$ 3,700,000
On & Off Site Costs	\$ 263,000
Hard Construction Costs	\$ 1,004,200
Architect & Engineering Fees	\$ 20,000
Contractor Overhead & Profit	\$ 107,459
Developer Fee	\$ 822,874
Relocation	\$ 5,760
Cost of Issuance	\$ 262,500
Capitalized Interest	\$ 267,300
Other Soft Costs	\$ 640,081
Total Uses	\$ 7,093,174

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: 63 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$5,000,000 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	30
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	5
Leveraging	10	10	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
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	63

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.