

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
November 16, 2011
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Crystal Alvarez

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$11,000,000

Project Information:
Name: Crossing at North Loop Apartments
Project Address: 3930 Tarmigan Drive
Project City, County, Zip Code: Antelope, Sacramento, 95843

Project Sponsor Information:
Name: Antelope Pacific Associates, a California L.P. (Central Valley Coalition for Affordable Housing and Roope, LLC)
Principals: Christina Alley, Jennifer Bertuccio, Alan Jenkins and Renee Downum for Central Valley Coalition for Affordable Housing; Caleb Roope for Roope, LLC
Property Management Company: Buckingham Property Management

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Underwriter: Citibank, N.A.
Credit Enhancement Provider: Citibank, N.A. / Freddie Mac
TEFRA Hearing Date: October 4, 2011

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 111, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

The Crossing at North Loop Apartments is an existing 112-unit development that was originally constructed in 1996. There are eight (8) two story residential buildings with one (1) clubhouse building located on a six (6) acre parcel located in the City of Antelope. The units will be renovated to include new energy efficient hot water heaters, furnaces and appliances, updated cabinets and flooring, new sliding glass doors and front doors. Handicap accessible units will serve disabled individuals and families. The design of these apartments will adhere to all necessary requirements to satisfy Section 504 as well as any additional mandates that the local jurisdiction deems appropriate.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
41% (45 units) restricted to 50% or less of area median income households.
59% (66 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3 & 4 bedrooms

The site is within close proximity to shopping, an elementary school and a park. The project has committed to provided high-speed internet in each unit and educational classes.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost: \$ 13,451,847
Estimated Hard Costs per Unit: \$ 17,403 (\$1,931,707 /111 units)
Estimated per Unit Cost: \$ 121,188 (\$13,451,847 /111 units)
Allocation per Unit: \$ 99,099 (\$11,000,000 /111 units)
Allocation per Restricted Rental Unit: \$ 99,099 (\$11,000,000 /111 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 11,000,000	\$ 8,000,000
Deferred Cost	\$ 253,125	\$ 0
Deferred Developer Fee	\$ 1,543,790	\$ 1,400,000
LIH Tax Credit Equity	\$ 654,932	\$ 3,701,847
NOI During Construction	\$ 0	\$ 350,000
Total Sources	\$ 13,451,847	\$ 13,451,847
Uses of Funds:		
Land Purchase	\$ 8,125,000	
On & Off Site Costs	\$ 224,000	
Hard Construction Costs	\$ 1,707,707	
Architect & Engineering Fees	\$ 100,000	
Contractor Overhead & Profit	\$ 135,223	
Developer Fee	\$ 1,543,790	
Relocation	\$ 40,000	
Cost of Issuance	\$ 572,944	
Capitalized Interest	\$ 450,000	
Other Soft Costs (Marketing, etc.)	\$ 553,183	
Total Uses	\$ 13,451,847	

Description of Financial Structure and Bond Issuance:

The Crossing at North Loop will be financed using a credit enhancement structure with Citibank as a Freddie Mac delegated lender. The construction loan will carry a variable interest rate of 3.75% with a term of 24 months. The permanent loan will carry a fixed interest rate of 4.75% with a term of 30 years, amortization of 35 years. In addition, the project will receive low-income tax credits and a deferred developer fee.

Analyst Comments:

Not Applicable

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: 60.5 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$11,000,000 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	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	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	118	98	60.5

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.