

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**September 17, 2014**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Richard Fischer*

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**Applicant:** Housing Authority of the County of Sacramento

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**Allocation Amount Requested:**  
**Tax-exempt:** \$6,000,000

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**Project Information:**  
**Name:** Woodhaven Senior Residence Apartments  
**Project Address:** 3731 Rio Linda Boulevard  
**Project City, County, Zip Code:** Sacramento, Sacramento, 95838

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**Project Sponsor Information:**  
**Name:** Woodhaven Senior LP (JSCo Woodhaven LLC and AHCHC Woodhaven)  
**Principals:** John K. Stewart, Jack D. Gardner, David Levine, Marie Tustin for JSCo Woodhaven LLC; Joseph A. Stalzer, David C. Nahas, James Nardini, Chad Jaeger and Jonathan Parrish for AHCHC  
**Property Management Company:** John Stewart Company

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** JP Morgan Chase Bank, NA  
**TEFRA Adoption Date:** June 17, 2014

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 103, plus 1 manager unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Senior Citizens

Woodhaven Senior Residence was originally built in 1986 but was not completed until 1990 when the current owners purchased and finished construction. Woodhaven consists of 104 one bedroom/one bathroom 500 square foot units within 5 separate two story buildings with a combination of stucco and wood panel siding. There is also a single story office/community center and a maintenance building. Site amenities include a community garden and horseshoe pit. All of the units have a washer and dryer and hot water heater within the unit and are separately metered for gas and electric. The rehabilitation of the Woodhaven Senior Residence will be an extensive renovation of this 24 year old housing development. Construction is projected to begin in December 2014 and finish in November 2015.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
100% (103 units) restricted to 50% or less of area median income households.  
       (0 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1 bedroom

The Project will provide instructor-led educational, health and wellness or skill building classes and health and wellness services and programs.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 11,089,005	
<b>Estimated Hard Costs per Unit:</b>	\$ 49,592	(\$5,107,957 /103 units)
<b>Estimated per Unit Cost:</b>	\$ 107,660	(\$11,089,005 /103 units)
<b>Allocation per Unit:</b>	\$ 58,252	(\$6,000,000 /103 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 58,252	(\$6,000,000 /103 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 6,000,000	\$ 0
Deferred Developer Fee	\$ 0	\$ 372,039
LIH Tax Credit Equity	\$ 796,242	\$ 3,953,401
Direct & Indirect Public Funds	\$ 2,980,115	\$ 6,311,888
Other (Seller Note)	\$ 451,677	\$ 451,677
<b>Total Sources</b>	<b>\$ 10,228,034</b>	<b>\$ 11,089,005</b>

<b>Uses of Funds:</b>	
Acquisition/Land Purchase	\$ 2,635,000
On & Off Site Costs	\$ 424,732
Hard Construction Costs	\$ 4,683,225
Architect & Engineering Fees	\$ 440,300
Contractor Overhead & Profit	\$ 332,017
Developer Fee	\$ 997,583
Relocation	\$ 507,500
Cost of Issuance	\$ 54,600
Capitalized Interest	\$ 105,000
Other Soft Costs (Marketing, etc.)	\$ 909,048
<b>Total Uses</b>	<b>\$ 11,089,005</b>

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

This is a JP Morgan Chase Bank, NA private placement transaction with the Housing Authority of the County of Sacramento issuing the bonds. The Construction loan terms are interest payments only and the rate set at LIBOR + 145 basis points with an eighteen (18) month maturity. There is no permanent loan financing.

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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:** 77.5 out of 130

[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$6,000,000 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]	10
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	7.5
Service Amenities	10	10	10
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>77.5</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.