

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 19, 2017
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: Golden State Finance Authority

Allocation Amount Requested: Tax-exempt: \$6,841,000

Project Information:

Name: Vineyard Gardens Apartments
Project Address: 161 West Stroube Street
Project City, County, Zip Code: Oxnard, Ventura, 93036

Project Sponsor Information:

Name: Vineyard Oxnard AR, L.P. (WCH Affordable XXVII, LLC and HCHP Affordable Multi-Family, LLC)
Principals: Graham Espley-Jones, Sandy Gibbons and Leanne Troufreh for WCH Affordable XXVII, LLC; Michael A. Costa, Robert W. Tetrault, Thomas E. Erickson and Judy Dosen for HCHP Affordable Multi-Family, LLC
Property Management Company: Western National Property Management

Project Financing Information:

Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: America First Multifamily Investors, L.P.
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: May 23, 2017
TEFRA Adoption Date: June 6, 2017

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 62
Manager's Units: 1 Restricted
Type: Acquisition and Rehabilitation
Population Served: Family

Vineyard Garden Apartments is an existing project located in Oxnard on a 3.85-acre site. The project consists of 61 restricted rental units, and 1 restricted manager's unit. The project has 32 two-bedroom units and 30 three-bedroom units. The renovations will include building (exterior/interior) upgrades. The renovations will include both exterior and interior upgrades. Building exterior renovations will consist of exterior repairs, roof replacement, window replacements and a fresh coat of paint. Individual apartment units will be updated with a new appliance package, fixtures, paint and electrical updates. Lastly, common or site area renovations will consist of concrete repairs, asphalt replacement, ADA updates. The rehabilitation is expected to begin in October 2017 and completed in June 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (62 units) restricted to 50% or less of area median income households.
Unit Mix: 2 & 3 bedrooms

The proposed project will not be providing service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 12,585,732	
Estimated Hard Costs per Unit:	\$ 16,129	(\$1,000,000 /62 units including mgr. units)
Estimated per Unit Cost:	\$ 202,996	(\$12,585,732 /62 units including mgr. units)
Allocation per Unit:	\$ 110,339	(\$6,841,000 /62 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 110,339	(\$6,841,000 /62 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 6,841,000	\$ 4,077,014
LIH Tax Credit Equity	\$ 130,827	\$ 3,179,174
Seller Equity	\$ 198,155	\$ 198,155
Deferred Developer Fee	\$ 0	\$ 1,136,367
Deferred Costs	\$ 1,420,728	\$ 0
Seller Carryback Loan	\$ 3,497,692	\$ 3,497,692
GSAFA Loan	\$ 350,000	\$ 350,000
Net Income From Operations	\$ 147,330	\$ 147,330
Total Sources	\$ 12,585,732	\$ 12,585,732

Uses of Funds:	
Land Cost/Acquisition	\$ 9,100,000
Rehabilitation	\$ 1,060,000
Contractor Overhead & Profit	\$ 80,000
Architectural Fees	\$ 17,000
Survey and Engineering	\$ 39,800
Construction Interest and Fees	\$ 384,045
Permanent Financing	\$ 93,450
Legal Fees	\$ 137,500
Reserves	\$ 149,039
Hard Cost Contingency	\$ 63,000
Local Development Impact Fees	\$ 59,887
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 15,000
Developer Costs	\$ 1,387,011
Total Uses	\$ 12,585,732

Analyst Comments:

None

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:

50 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$6,841,000 in tax exempt bond allocation on a carryforward basis.

ATTACHMENT A

EVALUATION SCORING:

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	0
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	0
Sustainable Building Methods	10	10	0
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	50