

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: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$21,200,000

Project Information:
Name: Alamo Garden Apartments
Project Address: 1501 Alamo Drive
Project City, County, Zip Code: Vacaville, Solano, 95687

Project Sponsor Information:
Name: Alamo Garden Family Apartments, LP (PacH Affordable Holdings, LLC and ROEM Alamo Garden Family, LLC)
Principals: Robert Emami for ROEM Alamo Garden Family, LLC; Mark Wiese for PacH Affordable Holdings, LLC
Property Management Company: FPI Management, Inc.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, N.A.
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: December 27, 2016
TEFRA Adoption Date: January 10, 2017

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 182
Manager's Units: 2 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

Alamo Garden Apartments is an existing project located in Vacaville on a 9.06-acre site. The project consists of 180 restricted rental units and 2 unrestricted managers' units. The project has 68 one-bedroom units, 109 two-bedroom units and 5 three-bedroom units. The renovations will include both exterior and interior upgrades. Building exterior renovations will consist of stucco repairs, roof replacement, window replacements and a fresh coat of paint. Interior renovations will include laundry room, leasing office and community room upgrades. Individual apartment units will be updated with a new appliance package, countertops, cabinets, fixtures, paint and electrical updates. Lastly, common area renovations will consist of concrete repairs, asphalt replacement and ADA updates. The rehabilitation is expected to begin in November 2017 and completed in November 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

11% (19 units) restricted to 50% or less of area median income households.

89% (161 units) restricted to 60% or less of area median income households.

Unit Mix: 1, 2 & 3 bedrooms

The proposed project will be providing service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 31,334,710	
Estimated Hard Costs per Unit:	\$ 32,911	(\$5,989,791 /182 units including mgr. units)
Estimated per Unit Cost:	\$ 172,169	(\$31,334,710 /182 units including mgr. units)
Allocation per Unit:	\$ 116,484	(\$21,200,000 /182 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 117,778	(\$21,200,000 /180 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 21,200,000	\$ 16,025,956
LIH Tax Credit Equity	\$ 5,091,063	\$ 9,256,477
Developer Equity	\$ 0	\$ 1,350,000
Deferred Developer Fee	\$ 2,792,113	\$ 2,895,133
Deferred Costs	\$ 444,390	\$ 0
Net Income From Operations	\$ 1,807,144	\$ 1,807,144
Total Sources	\$ 31,334,710	\$ 31,334,710

Uses of Funds:	
Land Cost/Acquisition	\$ 17,111,250
Rehabilitation	\$ 5,495,212
Relocation	\$ 200,000
Contractor Overhead & Profit	\$ 411,043
Architectural Fees	\$ 30,000
Survey and Engineering	\$ 71,275
Construction Interest and Fees	\$ 2,342,712
Permanent Financing	\$ 60,000
Legal Fees	\$ 145,000
Reserves	\$ 444,390
Appraisal	\$ 15,500
Hard Cost Contingency	\$ 787,891
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 657,959
Developer Costs	\$ 3,562,478
Total Uses	\$ 31,334,710

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:

57 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$21,200,000 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	25
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	5
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	0
Sustainable Building Methods	10	10	2
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	57