

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 20, 2017
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Louise Eller

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:

Tax-exempt: \$2,500,000

Project Information:

Name: Park Glenn Seniors Apartments
Project Address: 111 Holly Drive
Project City, County, Zip Code: Camarillo, Ventura, 93010

Project Sponsor Information:

Name: Park Glenn Seniors 2017, LP (AHA Ventura MGP, LLC and PGS 2017 Holdings, LLC)
Principals: Jonathan B. Webb and William W. Hirsch for AHA Ventura MGP, LLC and Paul F. Fruchbom and Marquis E. Hyatt for PGS 2017 Holdings, LLC
Property Management Company: VPM Management, Inc.

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: R4 Capital Funding
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 28, 2016
TEFRA Adoption Date: January 11, 2017

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 18
Manager's Units: 0*
Type: Acquisition and Rehabilitation
Population Served: Senior Citizens

*Management services will be provided through a staffing agreement with the adjacent Glenn Park Seniors Apartment project

Park Glenn Seniors Apartments is an existing project located in Camarillo on a 0.63 acre site. The project consists of 18 rental units. The project has 18 one-bedroom units. The renovations will include building exterior and interior upgrades. Individual apartment units will be updated with new carpets, window covering replacements, paint, cleaning, cabinet repairs, new appliances, heaters, air conditioning, water heater and various plumbing and electrical upgrades. Lastly, common or site area renovations will consist of roof maintenance, gutter installations, site plumbing, landscape upgrades, irrigation repairs, site drainage, lighting, concrete repair, new metal carports, security updates and new outdoor furniture for the seating areas. In addition, ADA upgrades will be made. The rehabilitation is expected to begin in September 2017 and completed in August 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

11% (2 units) restricted to 50% or less of area median income households.

89% (16 units) restricted to 60% or less of area median income households.

Unit Mix: 1 bedroom

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:	\$ 5,172,080	
Estimated Hard Costs per Unit:	\$ 29,571	(\$532,280 /18 units including mgr. units)
Estimated per Unit Cost:	\$ 287,338	(\$5,172,080 /18 units including mgr. units)
Allocation per Unit:	\$ 138,889	(\$2,500,000 /18 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 138,889	(\$2,500,000 /18 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 2,500,000	\$ 1,680,000
LIH Tax Credit Equity	\$ 463,831	\$ 1,325,232
Deferred Developer Fee	\$ 0	\$ 154,928
Seller Carryback Loan	\$ 1,550,000	\$ 1,550,000
City of Camarillo Loan	\$ 0	\$ 275,000
Net Income From Operations	\$ 106,300	\$ 186,920
Total Sources	\$ 4,620,131	\$ 5,172,080

Uses of Funds:	
Land Cost/Acquisition	\$ 3,280,000
Rehabilitation	\$ 580,185
Relocation	\$ 5,600
Contractor Overhead & Profit	\$ 26,614
Architectural Fees	\$ 23,400
Construction Interest and Fees	\$ 210,188
Permanent Financing	\$ 135,883
Legal Fees	\$ 165,000
Reserves	\$ 48,101
Hard Cost Contingency	\$ 60,680
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 131,430
Developer Costs	\$ 505,000
Total Uses	\$ 5,172,080

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:

48.5 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$2,500,000 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	10
Exceeding Minimum Income Restrictions:	35	15	26
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
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	7.5
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	110	48.5