

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
February 18, 2020
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Isaac Clark III

Applicant:	California Municipal Finance Authority
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Allocation Amount Requested:	
Tax-exempt:	\$17,000,000

Project Information:	
Name:	Vintage at Sycamore
Project Address:	1698 Sycamore Drive
Project City, County, Zip Code:	Simi Valley, Ventura, 93065

Project Sponsor Information:	
Name:	Simi Vintage Sycamore 650, LP (USA Simi Vintage Sycamore 650, Inc. / 99Sycamore, LLC)
Principals:	Geoffrey C. Brown, President, Michael McCleery, VP, Jonathan C. Harmer, CFO, Darren Bobrowsky, VP, Valerie Silva, Secretary, Jori Henry, Asst. Secretary for USA Simi Vintage Sycamore 650, Inc. / Michael Nigh, Executive Director for 99Sycamore, LLC
Property Management Company:	USA Multi-Family Management, Inc.

Project Financing Information:	
Bond Counsel:	Jones Hall, A Professional Law Corporation
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:	October 17, 2019
TEFRA Adoption Date:	November 5, 2019

Description of Proposed Project:	
State Ceiling Pool:	General
Total Number of Units:	99
Manager's Units:	1 Unrestricted
Type:	New Construction
Population Served:	Senior Citizens

Vintage at Sycamore is a new construction project located in Simi Valley on a 2.98-acre site. The project consists of 50 restricted rental units, 48 market rate units and 1 unrestricted manager unit. The project will have 98 one-bedroom units and 1 two-bedroom units as the manager unit. Common amenities include private swimming pool, outdoor seating areas and BBQs. Parking for the project includes a mix of carports and open parking with 50 carports, 24 uncovered, and 1 ride share parking space. Each unit will have private patios or balconies, a private storage closet, energy saving appliances, hard surface countertops in kitchen and bathrooms, vertical blinds, hydronic central heating and air conditioning, refrigerator/freezer, and a dishwasher. The construction is expected to begin April 2020 and be completed in September 2021.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 51%

51% (50 units) restricted to 50% or less of area median income households.

0% (0 units) restricted to 60% or less of area median income households.

Unit Mix: 1 bedroom

The proposed project will be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	31,794,687	
Estimated Hard Costs per Unit:	\$	181,157	(\$17,934,531 /99 units including mgr. unit)
Estimated per Unit Cost:	\$	321,158	(\$31,794,687 /99 units including mgr. unit)
Allocation per Unit:	\$	171,717	(\$17,000,000 /99 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$	340,000	(\$17,000,000 /50 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 17,000,000	\$ 13,640,000
Cash Flow Permanent Bonds	\$ 0	\$ 0
Tranche B Financing	\$ 0	\$ 0
Taxable Bond Proceeds	\$ 0	\$ 0
LIH Tax Credit Equity	\$ 0	\$ 13,483,635
Income from Operatons	\$ 0	\$ 0
Deferred Developer Fee	\$ 0	\$ 0
Costs Deferred Until Conversion	\$ 0	\$ 0
Boston Capital	\$ 8,090,380	\$ 0
City of Simi Valley	\$ 3,500,000	\$ 3,500,000
Accrued Deferred Interest-Seller Carryback	\$ 0	\$ 0
Acquired Project Reserves	\$ 0	\$ 0
Capital Contribution (GP)	\$ 0	\$ 0
USA Multi Family Development, Inc.	\$ 0	\$ 1,171,052
Total Sources	\$ 28,590,380	\$ 31,794,687

Uses of Funds:	
Land Cost/Acquisition	\$ 5,333,699
Rehabilitation	\$ 0
Relocation	\$ 0
New Construction	\$ 15,300,029
Contractor Overhead & Profit	\$ 1,004,090
Architectural Fees	\$ 0
Survey and Engineering	\$ 1,390,334
Construction Interest and Fees	\$ 1,085,631
Permanent Financing	\$ 847,583
Legal Fees	\$ 0
Reserves	\$ 300,903
Appraisal	\$ 8,000
Hard Cost Contingency	\$ 1,730,412
Local Development Impact Fees	\$ 0
Other Project Costs	\$ 1,890,602
Developer Costs	\$ 2,903,404
Total Uses	\$ 31,794,687

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:

118.10 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$17,000,000 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
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]	9
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	9
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10
Negative Points (No Maximum)	-10	-10	0
Total Points	145	125	118