

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 14, 2016
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Felicity Wood

Applicant: Housing Authority of the City of San Buenaventura

Allocation Amount Requested:
Tax-exempt: \$9,900,000

Project Information:
Name: Snapdragon Place II Apartments
Project Address: 995-1031 Los Angeles Avenue
Project City, County, Zip Code: Ventura, Ventura, 93004

Project Sponsor Information:
Name: Snapdragon Place II LP (Snapdragon Place II LLC)
Principals: David Sabedra, Aiza Galdo, and Maria Hernandez-Alamin for Snapdragon Place II LLC
Property Management Company: Housing Authority of the City of San Buenaventura

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Wells Fargo Bank, N.A. (Construction) and California Community Reinvestment Corporation (Permanent)
Public Sale: Not Applicable
Underwriter: Not Applicable
TEFRA Noticing Date: October 13, 2016
TEFRA Adoption Date: October 24, 2016

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 22, including 1 manager unit
Type: New Construction
Type of Units: Family/Special Needs

The project involves the new construction of 22 multifamily rental apartments on a vacant site in Ventura. One of the units is an income-restricted manager's unit. The unit mix includes 4 one-bedroom homes, 10 two-bedroom homes, and 8 three-bedroom homes. All accessible and adaptable dwellings shall comply with all pertinent building codes.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
73% (16 units) restricted to 50% or less of area median income households.
27% (6 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 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: \$ 11,983,059
Estimated Hard Costs per Unit: \$ 317,622 (\$6,987,678 /22 units)
Estimated per Unit Cost: \$ 521,003 (\$11,983,059 /23 units including mgr. units)
Allocation per Unit: \$ 450,000 (\$9,900,000 /22 units)
Allocation per Restricted Rental Unit: \$ 450,000 (\$9,900,000 /22 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 9,900,000	\$ 4,790,000
LIH Tax Credit Equity	\$ 0	\$ 4,355,119
LP Contributions Net of Syndication Costs	\$ 310,000	\$ 0
Deferred Developer Fee	\$ 819,000	\$ 819,000
Deferred Costs	\$ 284,059	\$ 0
City of Venture (HOME)	\$ 450,000	\$ 450,000
AHP	\$ 220,000	\$ 220,000
MHP Supportive	\$	\$ 1,348,940
Total Sources	\$ 11,983,059	\$ 11,983,059

Uses of Funds:	
Land Cost/Acquisition	\$ 1,137,857
Predevelopment Interest/Holding Cost	\$ 116,352
New Construction	\$ 6,987,678
Architectural Fees	\$ 234,000
Survey and Engineering	\$ 140,000
Construction Interest and Fees	\$ 524,900
Permanent Financing	\$ 77,900
Legal Fees	\$ 40,000
Reserves	\$ 106,000
Appraisal	\$ 4,886
Contingency	\$ 355,000
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 889,486
Developer Costs	\$ 1,369,000
Total Uses	\$ 11,983,059

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:

80 out of 140

[See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$9,900,000 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	5
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	0
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	80

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.