

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 16, 2015
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Brian Clark

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$25,663,664

Project Information:
Name: Delta View Apartments
Project Address: 3915 Delta Fair Boulevard
Project City, County, Zip Code: Antioch, Contra Costa, 94509

Project Sponsor Information:
Name: Delta View Family Apartments, LP (ROEM Delta View Family, LLC and Pacific Housing, Inc.)
Principals: Robert Emami for ROEM Delta View Family, LLC; Mark Wiese for Pacific Housing, Inc.
Property Management Company: FPI Management, Inc.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citibank, NA
TEFRA Adoption Date: October 27, 2015

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 203, plus 2 manager units
Type: Acquisition and Rehabilitation
Type of Units: Family

The Project, constructed between 1963 and 1965 and renovated in 2000, is located on a 11.04 acre parcel in Antioch. The Project, comprised of 30 single-story residential buildings, a community building and 264 parking spaces, houses 203 two-bedroom tenant units and 2 two-bedroom manager's units. Unit amenities include central heat/AC, blinds, carpeting, coat closet, refrigerator, stove/oven, dishwasher and garbage disposal. Community amenities include a swimming pool, playground, laundry room and on-site management. Interior renovations will include new window treatments; CO2 detectors; windows and doors; new kitchen counters, sink, fixtures, cabinets and appliances; new bathroom vanity, sink, fixtures, medicine cabinet, mirror and shower curtain rod; new carpeting and flooring; painting; drywall repair; bathtub replacement/resurfacing in 96 units; removal of wall-mounted heaters and replacement of HVAC units in 135 units. Exterior renovations will include fence repairs; new rubberized playground surface; asbestos, lead, pest and/or mold abatement; ADA improvements; foundation repairs; new roofing, siding and trim; and electrical system upgrades. Rehabilitation is expected to begin in February 2016 and be completed in September 2016.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

10% (21 units) restricted to 50% or less of area median income households.

90% (182 units) restricted to 60% or less of area median income households.

Unit Mix: 2 bedrooms

The proposed project will provide the following service amenities: after school programs, and instructor-led educational, health and wellness or skill building classes.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 35,846,282	
Estimated Hard Costs per Unit:	\$ 37,356	(\$7,583,228 /203 units)
Estimated per Unit Cost:	\$ 176,583	(\$35,846,282 /203 units)
Allocation per Unit:	\$ 126,422	(\$25,663,664 /203 units)
Allocation per Restricted Rental Unit:	\$ 126,422	(\$25,663,664 /203 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 25,663,644	\$ 21,500,086
Lease-Up Income	\$ 1,374,821	\$ 1,374,821
Deferred Reserve Funding	\$ 613,999	\$ 0
LIH Tax Credit Equity	\$ 6,075,202	\$ 11,557,481
Deferred Developer Fee	\$ 2,118,616	\$ 1,413,894
Total Sources	\$ 35,846,282	\$ 35,846,282

Uses of Funds:	
Acquisition/Land Purchase	\$ 22,050,000
Hard Construction Costs	\$ 7,583,228
Architect & Engineering Fees	\$ 30,000
Contractor Overhead & Profit	\$ 561,721
Developer Fee	\$ 2,500,000
Legal Fees	\$ 150,000
Relocation	\$ 902,000
Cost of Issuance	\$ 169,026
Operating & Replacement Reserve	\$ 613,999
Construction and Permanent Financing	\$ 1,090,704
Other Soft Costs (Marketing, etc.)	\$ 195,604
Total Uses	\$ 35,846,282

Description of Financial Structure and Bond Issuance:

During the construction financing phase the loan term will be for 24 months with a fixed interest rate estimated to be 3.25%. During the permanent financing phase, the loan term will be for 30 years with an amortization period of 35 years at a fixed interest rate estimated to be 4.75%. There was no underwritten rate provided.

Analyst Comments:

Not Applicable

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:

55 out of 130

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$25,663,664 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
Federally Assisted At-Risk Project or HOPE VI Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	25
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	0
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	10	10	5
Negative Points	-10	-10	0
Total Points	130	100	55

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.