

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 11, 2013
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Crystal Alvarez

Applicant: Housing Authority of the City of Oxnard

Allocation Amount Requested:
Tax-exempt: \$11,000,000

Project Information:
Name: Terraza De Las Cortes Apartments
Project Address: Carmelita Court (address To Be Determined)
Project City, County, Zip Code: Oxnard, Ventura, 93030

Project Sponsor Information:
Name: Terraza De Las Cortes, L.P. (Housing Authority of the City of Oxnard and Las Cortes, Inc.)
Principals: Bill Wilkins, Larry White and Carrie Sabatini for both entities.
Property Management Company: Levine Management Group, Inc.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, N.A. (Const.) / California Community Reinvestment Corporation (Perm.)
TEFRA Hearing Date: February 12, 2013

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 63, plus 1 manager unit
Type: New Construction
Type of Units: Family

The Terraza De Las Cortes Apartments Project is a new construction multi-family community. The project consist of 65 total units made up of 2 and 3- bedroom units, one of which is a manager's unit. Seven (7) of the units will be rent restricted at 50% of the Area Median Income (AMI) and fifty-six (56) units will be rent restricted at 60% of AMI. The development amenities will include a community room, computer room, business center, on-site leasing office, on-site manager's unit, surface parking, carports, a courtyard and sitting area, picnic area, playground and surveillance cameras. Each unit will include granite countertops, patio/balcony, blinds, carpeted floors, storage closet, coat closet, washer/dryer, heating, air conditioning, refrigerator, range, garbage disposal and microwave.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

11% (7 units) restricted to 50% or less of area median income households.

89% (56 units) restricted to 60% or less of area median income households.

Unit Mix: 2 & 3 bedrooms

No service are required.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 19,390,163	
Estimated Hard Costs per Unit:	\$ 150,260	(\$9,466,390 /63 units)
Estimated per Unit Cost:	\$ 307,780	(\$19,390,163 /63 units)
Allocation per Unit:	\$ 174,603	(\$11,000,000 /63 units)
Allocation per Restricted Rental Unit:	\$ 174,603	(\$11,000,000 /63 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 11,000,000	\$ 7,250,000
Deferred Developer Fee	\$ 1,641,109	\$ 249,062
LIH Tax Credit Equity	\$ 1,399,054	\$ 6,541,101
Direct & Indirect Public Funds	\$ 5,350,000	\$ 5,350,000
Total Sources	\$ 19,390,163	\$ 19,390,163

Uses of Funds:	
Acquisition/Land Purchase	\$ 2,050,000
New Construction Costs	\$ 9,466,390
Architect & Engineering Fees	\$ 500,000
Hard Cost Contingency	\$ 536,420
Contractor Overhead & Profit	\$ 1,262,000
Developer Fee	\$ 2,105,124
Cost of Issuance	\$ 527,500
Capitalized Interest	\$ 564,667
Other Soft Costs (Marketing, etc.)	\$ 2,378,062
Total Uses	\$ 19,390,163

Description of Financial Structure and Bond Issuance:

The tax-exempt bond allocation will be privately placed with Citibank, N.A. (Citi) for the construction loan and California Community Reinvestment Corporation (CCRC) for the permanent loan. Citi will fund the construction loan for 24 months with a variable rate equal to one month LIBOR plus a spread of 2.00%. CCRC will fund the permanent loan for 17 years with an amortization of 35 years. The permanent loan will carry the greater of a 15-year muni bond index plus 175 basis points fixed or 5.25%. As of September the rate was 5.60%.

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: 73.5 out of 130

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$11,000,000 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
Federally Assisted At-Risk Project or HOPE VI Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	26
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	10	10	0
Negative Points	-10	-10	0
Total Points	130	100	73.5

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.