

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: Richard Fischer

Applicant: Housing Authority of the City of San Buenaventura

Allocation Amount Requested:
Tax-exempt: \$20,000,000

Project Information:
Name: Buena Vida Apartments
Project Address: 9050 & 9054-9092 Telephone Road
Project City, County, Zip Code: Ventura, Ventura, 93004

Project Sponsor Information:
Name: Buena Vida, L.P. (Buena Vida LLC [Homecomings, Inc.])
Principals: John Polanskey, William Cornell, Barbara Keller, Andrew Pattison, Selfa Saucedo, Wanda Sumner and James White for Homecomings, Inc.
Property Management Company: Housing Authority of the City of San Buenaventura

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citibank, N.A.
TEFRA Adoption Date: October 5, 2015

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 94, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family/Special Needs

The project consists of 1-, 2-, 3-, and 4-bedroom apartment units, with a mix of flat and townhome configurations. The senior building fronts Telephone Road, while the family units are toward the “rear” of the property. The project has both surface parking (33 senior and 33 shared spaces) and carports (20 adjacent to, and reserved for, the family units). Kitchens will include a refrigerator, stove, oven, and garbage disposal. Wall air conditioning units, along with the patio or balcony that is offered in each unit, will aid in marketing to seniors. The Housing Authority of the City of San Buenaventura (HACSB) will provide on-site social services free of charge for all tenants at the subject property, and tailored to the need of the residents (senior and family). Most tenants will be able to remain in their units during the rehabilitation, with the occasional short term (several day) relocation, preferably to another unit on-site. The rehabilitation of the subject apartment complex is anticipated to begin in March of 2016, and will be completed in March of 2017.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

31% (29 units) restricted to 50% or less of area median income households.

69% (65 units) restricted to 60% or less of area median income households.

Unit Mix: 1, 2, 3 & 4 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:	\$ 37,028,159	
Estimated Hard Costs per Unit:	\$ 70,235	(\$6,602,122 /94 units)
Estimated per Unit Cost:	\$ 393,917	(\$37,028,159 /94 units)
Allocation per Unit:	\$ 212,766	(\$20,000,000 /94 units)
Allocation per Restricted Rental Unit:	\$ 212,766	(\$20,000,000 /94 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 20,000,000	\$ 800,000
Developer Equity	\$ 100	\$ 100
LIH Tax Credit Equity	\$ 303,846	\$ 10,921,159
Direct-Indirect Public Funds	\$ 15,472,900	\$ 25,122,900
Other (Solar Energy Rebates; NOI at Stabilization)	\$ 0	\$ 184,000
Other (Costs Deferred Until Completion)	\$ 1,251,313	\$ 0
Total Sources	\$ 37,028,159	\$ 37,028,159

Uses of Funds:	
Acquisition/Land Purchase	\$ 24,700,000
Hard Construction Costs	\$ 6,602,122
Architect & Engineering Fees	\$ 342,000
Contractor Overhead & Profit	\$ 329,838
Developer Fee	\$ 2,500,000
Legal Fees	\$ 160,000
Relocation	\$ 80,000
Cost of Issuance	\$ 390,000
Operating Reserve	\$ 160,273
Capitalized Interest	\$ 1,052,900
Other Soft Costs (Marketing, etc.)	\$ 711,026
Total Uses	\$ 37,028,159

Description of Financial Structure and Bond Issuance:

This is a private placement transaction with Citibank, N.A. for both construction and permanent financing. During the construction financing phase the loan term will be for a max of 24 months plus a 6 month extension with a (variable) interest rate of the sum of the one-month LIBOR swap index rate plus 1.75%. During the permanent financing phase, the fixed rate loan term will be for 30 years with an amortization of 35 years at a (fixed) rate of the sum of the 17 year LIBOR swap index rate plus 2.00%. The all-in rate is 4.50%. There was no underwritten rate provided.

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: 70.5 out of 130

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$20,000,000 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	35
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	0
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	0
Sustainable Building Methods	10	10	3
Negative Points	-10	-10	0
Total Points	130	100	70.5

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.