

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 16, 2019
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Sarah Lester

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$48,900,000

Project Information:
Name: Seaview Village Apartments (Scattered Site)
Project Address: 1664 Darwin St.; 1775 Waring St.; 1710 Vallejo St.; 1637 Flores St.; 1630 Judson St.; 1622 Noche Buena St.; 1730 Kenneth St.; 1772 Luzern St.; 1518 La Salle Ave.; and 1846 Highland St.
Project City, County, Zip Code: Seaside, Monterey, 93955

Project Sponsor Information:
Name: Seaview Affordable Communities, L.P. (Pacific Housing Inc.; Seaview Communities, LLC and Seaview for Ten, LLC)
Principals: Mark Wiese and Mathew Eland for Pacific Housing Inc.; Ruben Islas, Jr., Jules L. C. Arthur and Michael Coit for Seaview Communities LLC; and Ruben Islas, Jr. for Seaview for Ten, LLC
Property Management Company: Logan Property Management, Inc.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, N.A./Hannon Seaview Housing Partners, L.P.
Cash Flow Permanent Bond: Hannon Seaview Housing Partners, L.P.
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: November 22, 2017
TEFRA Adoption Date: November 1, 2018

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 133
Manager's Units: 1 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

Seaview Village Apartments is an existing scattered-site project located in Seaside on a total of 8.56 acre sites. The project consists of 132 restricted rental units and 1 unrestricted manager unit. The project has 16 one-bedroom units, 36 two-bedroom units, 39 three-bedroom units, 28 four-bedroom units and 14 five-bedroom units. The renovations will include building exterior and interior upgrades. Building exterior renovations will consist of improvements to unit balconies where necessary, new paint for all buildings, repairs to drywall and landscaping upgrades. Interior renovations will include repairs to laundry room and community room. Individual apartment units will be updated with a new appliance package, cabinets, fixtures, attic insulation, replacement of floors in units with vinyl flooring, plumbing upgrades, furnaces and electrical updates. Lastly, common or site area renovations will consist of repairs to asphalt and termite treatment. The rehabilitation is expected to begin in February 2019 and be completed in December 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
11% (15 units) restricted to 50% or less of area median income households.
89% (117 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3, 4 & 5 bedrooms

The proposed project will not be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost: \$ 57,757,298
Estimated Hard Costs per Unit: \$ 43,324 (\$5,762,070 /133 units including mgr. unit)
Estimated per Unit Cost: \$ 434,265 (\$57,757,298 /133 units including mgr. unit)
Allocation per Unit: \$ 367,669 (\$48,900,000 /133 units including mgr. unit)
Allocation per Restricted Rental Unit: \$ 370,455 (\$48,900,000 /132 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 44,900,000	\$ 31,400,000
Cash Flow Permanent Bonds	\$ 4,000,000	\$ 3,379,793
LIH Tax Credit Equity	\$ 1,587,739	\$ 18,537,945
Deferred Developer Fee	\$ 7,164,559	\$ 4,334,560
Existing Reserves	\$ 105,000	\$ 105,000
Total Sources	\$ 57,757,298	\$ 57,757,298

Uses of Funds:	
Land Cost/Acquisition	\$ 40,200,000
Rehabilitation	\$ 6,206,850
Relocation	\$ 133,000
Contractor Overhead & Profit	\$ 495,953
Architectural Fees	\$ 85,000
Construction Interest and Fees	\$ 696,387
Permanent Financing	\$ 331,500
Legal Fees	\$ 260,000
Reserves	\$ 791,557
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 640,230
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 742,262
Developer Costs	\$ 7,164,559
Total Uses	\$ 57,757,298

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:

61 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$48,900,000 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	20
Exceeding Minimum Income Restrictions:	35	15	26
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Large Family Units	5	5	5
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	0
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	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
Total Points	140	110	61