

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**July 17, 2019**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Chee Thao Yang*

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**Applicant:** Housing Authority of the City of San Buenaventura

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**Allocation Amount Requested:**  
**Tax-exempt:** \$21,110,000

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**Project Information:**  
**Name:** Willett Ranch  
**Project Address:** 54 and 55 Willett Street  
**Project City, County, Zip Code:** Ventura, Ventura, 93001

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**Project Sponsor Information:**  
**Name:** Willett Ranch, LP (Willett Ranch, LLC)  
**Principals:** Denise M. Wise

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**Property Management Company:** Housing Authority of the City of San Buenaventura

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**Project Financing Information:**  
**Bond Counsel:** Jones Hall, A Professional Law Corporation  
**Private Placement Purchaser:** Wells Fargo Bank, N.A.  
**Cash Flow Permanent Bond:** Not Applicable  
**Public Sale:** Not Applicable  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Rating:** Not Applicable  
**TEFRA Noticing Date:** April 26, 2019  
**TEFRA Adoption Date:** May 6, 2019

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 50  
**Manager's Units:** 1 Unrestricted  
**Type:** New Construction  
**Population Served:** Senior Citizens

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Willett Ranch Apartments is a new construction project located in city of Ventura on a 2.05-acre site. The project consists of 49 restricted rental units, and 1 unrestricted manager unit. The project will have 46 one-bedroom units, and 4 two-bedroom units. The two buildings will be two stories. Common amenities include a community room, a community kitchen, a library, a craft room, laundry facilities, and office space for resident manager and social service delivery. Each unit will have a patio/balcony, walk-in closet, ceiling fans, Energy Star appliances, like range, refrigerator, dishwasher, and garbage disposal. There are 73 parking spaces provided. The construction is expected to begin November 2019 and be completed February 2021.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%

31% (15 units) restricted to 50% or less of area median income households.

69% (34 units) restricted to 60% or less of area median income households.

**Unit Mix:** 1 & 2 bedrooms

The proposed project will not be receiving service amenity points.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 26,922,201	
<b>Estimated Hard Costs per Unit:</b>	\$ 270,167	(\$13,508,360 /50 units including mgr. unit)
<b>Estimated per Unit Cost:</b>	\$ 538,444	(\$26,922,201 /50 units including mgr. unit)
<b>Allocation per Unit:</b>	\$ 422,200	(\$21,110,000 /50 units including mgr. unit)
<b>Allocation per Restricted Rental Unit:</b>	\$ 430,816	(\$21,110,000 /49 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 21,110,000	\$ 6,785,509
Taxable Loan	\$ 765,415	\$ 0
LIH Tax Credit Equity	\$ 822,645	\$ 9,485,485
Deferred Developer Fee	\$ 1,020,532	\$ 1,020,532
Deferred Costs	\$ 1,943,585	\$ 0
GP Equity	\$ 100	\$ 100
HCD National Housing Trust Fund	\$ 0	\$ 8,370,651
County of Ventura HOME	\$ 444,924	\$ 444,924
Affordable Housing Program	\$ 750,000	\$ 750,000
City of Ventura HOME	\$ 65,000	\$ 65,000
Total Sources	\$ 26,922,201	\$ 26,922,201

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 1,525,600
New Construction	\$ 14,899,502
Contractor Overhead & Profit	\$ 856,513
Architectural Fees	\$ 624,000
Survey and Engineering	\$ 100,000
Construction Interest and Fees	\$ 2,125,008
Permanent Financing	\$ 92,900
Legal Fees	\$ 180,000
Reserves	\$ 889,354
Appraisal	\$ 20,000
Hard Cost Contingency	\$ 794,081
Local Development Impact Fees	\$ 891,728
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 874,700
Developer Costs	\$ 3,048,815
Total Uses	\$ 26,922,201

**Analyst Comments:**

This project is considered a high cost per unit project. Construction costs in the City of Ventura have been impacted by the ongoing rebuilding that is occurring as a result of the Thomas Fire.

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**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.

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**Total Points:**

53.6 out of 140 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$21,110,000 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]	8.6
Large Family Units	5	5	0
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
<b>Total Points</b>	<b>140</b>	<b>120</b>	<b>53.6</b>