

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 11, 2019
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Isaac Clark III

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:

Tax-exempt: \$51,250,000

Project Information:

Name: Holiday Manor Apartments
Project Address: 1924 Camino Del Sol
Project City, County, Zip Code: Oxnard, Ventura, 93030

Project Sponsor Information:

Name: Holiday Manor Apartments, LP (Spira Holiday Manor, LP / FFAH V Holiday Manor, LLC)
Principals: Stephen Ho, Manager, Robert Lee, Manager of Spira Holiday Manor, LP, Deborah A. Willard, President of Foundation for Affordable Housing V, Inc.
Property Management Company: Aperto Property Management

Project Financing Information:

Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Capital One
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: October 17, 2019
TEFRA Adoption Date: November 5, 2019

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 252
Manager's Units: 3 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

Holiday Manor Apartments is located in Oxnard on a 4.17-acre sites. The entire project consists of 249 restricted rental units, 0 market rate units and 3 unrestricted manager units. The entire project has 59 one-bedroom units, 100 two-bedroom units, 90 three-bedroom units, and 3 four-bedroom manager units. Building exterior renovations will consist of roof overlay/roof deck repairs, window replacement, full exterior paint, siding repairs, landscape upgrades and asphalt/concrete repairs. Interior renovations will include upgraded interior lighting, new kitchen appliances, replace cabinets and countertops, install new bath fans and lighting fixtures. Proposed parking will include 125 uncovered stalls, 2 accessible van stalls, 11 accessible car stalls and 244 carport stalls for a total of 382 spaces. The rehabilitation is expected to begin by February 3, 2020 and be completed by January 31, 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
10% (26 units) restricted to 50% or less of area median income households.
90% (223 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 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: \$ 92,323,172
Estimated Hard Costs per Unit: \$ 35,000 (\$8,820,000 /252 units including mgr. units)
Estimated per Unit Cost: \$ 366,362 (\$92,323,172 /252 units including mgr. units)
Allocation per Unit: \$ 203,373 (\$51,250,000 /252 units including mgr. units)
Allocation per Restricted Rental Unit: \$ 205,823 (\$51,250,000 /249 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 51,250,000	\$ 51,250,000
Cash Flow Permanent Bonds	\$ 0	\$ 0
Tranche B Financing	\$ 0	\$ 0
Taxable Bond Proceeds	\$ 0	\$ 0
LIH Tax Credit Equity	\$ 8,052,736	\$ 26,839,121
Operating Cash Flow	\$ 5,696,349	\$ 5,696,349
Deferred Developer Fee	\$ 11,010,379	\$ 7,214,202
Costs Deferred Until Conversion	\$ 0	\$ 0
Seller Carryback Loan	\$ 0	\$ 0
City of Long Beach	\$ 0	\$ 0
Accrued Deferred Interest-Seller Carryback	\$ 0	\$ 0
Acquired Project Reserves	\$ 0	\$ 0
General Partner Note	\$ 14,990,208	\$ 0
General Partner Equity	\$ 1,323,500	\$ 1,323,500
Total Sources	\$ 92,323,172	\$ 92,323,172

Uses of Funds:	
Land Cost/Acquisition	\$ 64,239,200
Rehabilitation	\$ 10,160,640
Relocation	\$ 192,300
New Construction	\$ 0
Contractor Overhead & Profit	\$ 0
Architectural Fees	\$ 200,000
Survey and Engineering	\$ 0
Construction Interest and Fees	\$ 4,070,800
Permanent Financing	\$ 0
Legal Fees	\$ 132,000
Reserves	\$ 845,462
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 1,102,800
Local Development Impact Fees	\$ 0
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 359,591
Developer Costs	\$ 11,010,379
Total Uses	\$ 92,323,172

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:

65.22 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$51,250,000 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	25
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Large Family Units	5	5	0.00
Leveraging	10	10	0.00
Community Revitalization Area	5	5	0.00
Site Amenities	10	10	10.00
Service Amenities	10	10	0.00
New Construction or Substantial Renovation	10	10	10.00
Sustainable Building Methods	10	10	0.00
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0.00
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0.00
Negative Points (No Maximum)	-10	-10	0.00
Total Points	140	110	65.22