

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 9, 2020
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
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Allocation Amount Requested:	Tax-exempt:	\$20,675,853
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Project Information:	Name:	Steinbeck Commons
	Project Address:	10 Lincoln Avenue
	Project City, County, Zip Code:	Salinas, Monterey, 93901

Project Sponsor Information:	Name:	SF Steinbeck Commons LP (SF Steinbeck GP, LLC / Trillium Housing Services)
	Principals:	Scott Seckinger, Manager for SF Steinbeck GP, LLC / Bruce W. Kilen, President for Trillium Housing Services
	Property Management Company:	Cambridge Management, Inc

Project Financing Information:	Bond Counsel:	Eichner & Norris, PLLC
	Private Placement Purchaser:	Jones Lange LaSalle Multifamily, LLC
	Cash Flow Permanent Bond:	Not Applicable
	Public Sale:	Not Applicable
	Underwriter:	Not Applicable
	Credit Enhancement Provider:	Not Applicable
	Rating:	Not Applicable

Description of Proposed Project:	State Ceiling Pool:	General
	Total Number of Units:	100
	Manager's Units:	1 Unrestricted
	Type:	Acquisition and Rehabilitation
	Population Served:	Senior Citizens

Steinbeck Commons project is located in Salinas. The entire project consists of 99 restricted rental units and 1 unrestricted manager unit. The entire project has 99 one-bedroom units and 1 two-bedroom unit. Community renovations will include a community room, common areas, laundry room, and courtyard. Unit and accessibility renovations will include wide doors, wide hallways, accessibility paths throughout site, adaptable kitchens, adaptable bathrooms, mobility features, and elevators. Ten percent of the total units will be handicap accessible. The project will have 31 total parking spaces, 1 of the 31 parking spaces, will be a handicap accessible space. The rehabilitation is expected to begin in June 2021 and be completed in June 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project:	100%
<u>29%</u> (29 units) restricted to 50% or less of area median income households.	
<u>71%</u> (70 units) restricted to 60% or less of area median income households.	
Unit Mix:	1 & 2 bedrooms

The proposed project will be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	39,051,665	
Estimated Hard Costs per Unit:	\$	65,000	(\$6,500,000 /100 units including mgr. unit)
Estimated per Unit Cost:	\$	390,517	(\$39,051,665 /100 units including mgr. unit)
Allocation per Unit:	\$	206,759	(\$20,675,853 /100 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$	208,847	(\$20,675,853 /99 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 20,675,853	\$ 17,143,516
Taxable Bond Proceeds	\$ 2,500,000	\$ 6,875,000
LIH Tax Credit Equity	\$ 10,618,580	\$ 11,468,580
Deferred Developer Fee	\$ 5,257,232	\$ 3,044,233
Capital Contribution (GP)	\$ 0	\$ 520,336
Total Sources	\$ 39,051,665	\$ 39,051,665

Uses of Funds:	
Land Cost/Acquisition	\$ 23,150,000
Rehabilitation	\$ 6,500,000
Relocation	\$ 150,000
Contractor Overhead & Profit	\$ 910,000
Architectural Fees	\$ 100,000
Survey and Engineering	\$ 65,000
Construction Interest and Fees	\$ 839,100
Permanent Financing	\$ 370,000
Legal Fees	\$ 50,000
Reserves	\$ 427,000
Appraisal	\$ 15,000
Hard Cost Contingency	\$ 991,000
Other Project Costs	\$ 794,500
Developer Costs	\$ 4,690,065
Total Uses	\$ 39,051,665

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:

135 out of 150 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$20,675,853 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	20
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	10	10	0
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	5
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10
Negative Points (No Maximum)	0	0	0
Total Points	150	130	135