

**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: Anthony Wey*

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<b>Applicant:</b>	<b>California Municipal Finance Authority</b>
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<b>Allocation Amount Requested:</b>	<b>Tax-exempt:</b> \$14,335,967
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<b>Project Information:</b>	<b>Name:</b> Isla Vista
	<b>Project Address:</b> 6650, 6660 Abrego Road & 6651 Picasso Road, Isla Vista;
	<b>Project City, County, Zip Code:</b> Isla Vista, Santa Barbara, 93117

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<b>Project Sponsor Information:</b>	<b>Name:</b> Peoples' Self-Help Housing Corporation (Isla Vista Apartments LLC and TBD LP)
	<b>Principals:</b> Shelly Higginbotham, Joe Thompson, Scott Fina, Sheryl Flores, John Fowler, James Shammass, Annette Montoya, Todd Broussard, Kenneth Trigueiro, Griffin Moore, and Monica Demalleville for Isla Vista Apartments LLC
	<b>Property Management Company:</b> Att.22

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<b>Project Financing Information:</b>	<b>Bond Counsel:</b> Jones Hall, A Professional Law Corporation
	<b>Private Placement Purchaser:</b> Citibank, N.A.
	<b>Cash Flow Permanent Bond:</b> Not Applicable
	<b>Public Sale:</b> Not Applicable
	<b>Underwriter:</b> Not Applicable
	<b>Credit Enhancement Provider:</b> Not Applicable
	<b>Rating:</b> Not Applicable

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<b>Description of Proposed Project:</b>	<b>State Ceiling Pool:</b> Preservation Pool
	<b>Total Number of Units:</b> 56
	<b>Manager's Units:</b> 1 Unrestricted
	<b>Type:</b> Acquisition and Rehabilitation
	<b>Population Served:</b> Family

Isla Vista Apartments is an existing project located in Isla Vista, CA on a 1.29-acre site. The project consists of 43 restricted rental units, 12 market rate units and 1 unrestricted manager's unit. The project has 24 one-bedroom units, 16 two-bedroom units and 16 three-bedroom units. The renovations will include building exterior and interior upgrades. Building exterior renovations will consist of ADA upgrades to community area buildings and site, paths of travel, soft story structural retrofit, window replacements, roof replacement, and miscellaneous painting. Interior renovations will include replacement of all flooring, cabinets, countertops, HVAC equipment, plumbing fixtures, and electrical fixtures. The project will seek a Green Point Rated Program for the Energy Efficiency Certification. The rehabilitation is expected to begin in November 2020 and be completed in September 2021.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 78%  
45% (25 units) restricted to 50% or less of area median income households.  
33% (18 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2 & 3 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:** \$ 25,184,308  
**Estimated Hard Costs per Unit:** \$ 126,630 (\$7,091,262 /56 units including mgr. units)  
**Estimated per Unit Cost:** \$ 449,720 (\$25,184,308 /56 units including mgr. units)  
**Allocation per Unit:** \$ 255,999 (\$14,335,967 /56 units including mgr. units)  
**Allocation per Restricted Rental Unit:** \$ 333,395 (\$14,335,967 /43 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 14,335,967	\$ 5,468,000
Taxable Bond Proceeds	\$ -1	\$ -1
LIH Tax Credit Equity	\$ 0	\$ 7,679,031
GP Equity	\$ 0	\$ 575,023
Deferred Developer Fee	\$ 0	\$ 827,751
Sponsor Loan	\$ 0	\$ 1,744,831
Seller Carryback Loan + Accrued Interest	\$ 5,682,703	\$ 5,682,703
County of Santa Barbara HOME	\$ 0	\$ 1,000,000
Net Income From Operations	\$ 201,270	\$ 416,961
HCD FWHG Existing Loan + Accrued Interest	\$ 306,900	\$ 306,900
ty of Santa Barbara existing loans + Accrued Interest	\$ 1,483,109	\$ 1,483,109
LP Equity	\$ 778,903	\$ 0
<b>Total Sources</b>	<b>\$ 22,788,851</b>	<b>\$ 25,184,308</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 10,171,360
Rehabilitation	\$ 7,804,409
Relocation	\$ 701,027
Contractor Overhead & Profit	\$ 399,290
Architectural Fees	\$ 395,000
Survey and Engineering	\$ 50,510
Construction Interest and Fees	\$ 1,568,169
Permanent Financing	\$ 72,180
Legal Fees	\$ 37,500
Reserves	\$ 188,397
Appraisal	\$ 6,000
Hard Cost Contingency	\$ 870,370
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 117,321
Developer Costs	\$ 2,802,775
<b>Total Uses</b>	<b>\$ 25,184,308</b>

**Analyst Comments:**

None

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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:**

135 out of 145 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$14,335,967 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
Large Family Units	5	5	5.00
Gross Rents	5	5	5.00
Leveraging	10	10	10.00
Community Revitalization Area	5	5	0.00
Site Amenities	10	10	10.00
Service Amenities	10	10	10.00
New Construction or Substantial Renovation	10	10	10.00
Sustainable Building Methods	10	10	10.00
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10.00
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10.00
Negative Points (No Maximum)	-10	-10	0.00
<b>Total Points</b>	<b>145</b>	<b>125</b>	<b>135.00</b>