

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 21, 2020
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Norma Velarde

Applicant:		Housing Authority of the County of Santa Barbara
Allocation Amount Requested:		
	Tax-exempt:	\$29,100,000
Project Information:		
	Name:	Central Plaza Apartments
	Project Address:	200 McClelland Street
	Project City, County, Zip Code:	Santa Maria, Santa Barbara, 93454
Project Sponsor Information:		
	Name:	Central Plaza Apartments Resyndication, L.P. (Housing
	Principals:	Robert P. Havlicek Jr., Executive Director/Secretary; Irene Melton, Director of Finance; Raymond F. Down, President; Mark Paul, Vice President
	Property Management Company:	Housing Authority of the County of Santa Barbara
Project Financing Information:		
	Bond Counsel:	Jones Hall, A Professional Law Corporation
	Private Placement Purchaser:	Pacific Western Bank
	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:	Other Affordable Pool
	Total Number of Units:	112
	Manager's Units:	1 Unrestricted
	Type:	Acquisition and Rehabilitation
	Population Served:	Family

Central Plaza Apartments is an existing project located in Santa Maria on a 4.86 -acre site. The project consists of 111 restricted rental units and 1 unrestricted managers' units. The project has 40 one-bedroom units, 55 two-bedroom units and 16 three-bedroom units. The renovations will include building interior upgrades. Interior renovations will include community room upgrades. Individual apartment units will be updated with new kitchens and baths as needed. Lastly, common or site area renovations will consist of accessible parking stalls, accessible path of travel throughout the site and new landscaping with reduced water consumption. The rehabilitation is expected to begin in March 2021 and be completed in June 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
32% (35 units) restricted to 50% or less of area median income households.
68% (76 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: \$ 51,382,695
Estimated Hard Costs per Unit: \$ 120,000 (\$13,440,000 /112 units including mgr. units)
Estimated per Unit Cost: \$ 458,774 (\$51,382,695 /112 units including mgr. units)
Allocation per Unit: \$ 259,821 (\$29,100,000 /112 units including mgr. units)
Allocation per Restricted Rental Unit: \$ 262,162 (\$29,100,000 /111 restricted units)

Sources of Funds:		Construction	Permanent
Tax-Exempt Bond Proceeds	\$	29,100,000	\$ 20,950,000
Cash Flow Permanent Bonds	\$	0	\$ 0
Tranche B Financing	\$	0	\$ 0
Taxable Bond Proceeds	\$	2,093,018	\$ 0
LIH Tax Credit Equity	\$	3,048,002	\$ 15,240,011
Developer Equity	\$	818,600	\$ 818,600
Deferred Developer Fee	\$	4,823,075	\$ 2,874,084
Deferred Costs	\$	0	\$ 0
HACSB Seller Carryback Loan	\$	11,500,000	\$ 11,500,000
Itemized Public Funds Sources	\$	0	\$ 0
Net Income From Operations	\$	0	\$ 0
Total Sources	\$	51,382,695	\$ 51,382,695
Uses of Funds:			
Land Cost/Acquisition	\$	23,200,000	
Rehabilitation	\$	14,246,400	
Relocation	\$	800,000	
Contractor Overhead & Profit	\$	1,075,200	
Architectural Fees	\$	130,000	
Survey and Engineering	\$	20,000	
Construction Interest and Fees	\$	2,143,125	
Permanent Financing	\$	10,000	
Legal Fees	\$	120,000	
Reserves	\$	2,062,767	
Appraisal	\$	10,000	
Hard Cost Contingency	\$	1,742,160	
Local Development Impact Fees	\$	0	
Other Project Costs (Soft Costs, Marketing, etc.)	\$	350,305	
Developer Costs	\$	5,472,738	
Total Uses	\$	51,382,695	

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 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$29,100,000 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	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Large Family Units	5	5	0.00
Gross Rents	5	5	5.00
Leveraging	10	10	10.00
Community Revitalization Area	5	5	5.00
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
Total Points	145	125	135.00