

**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*

---

<b>Applicant:</b>	<b>Housing Authority of the County of Santa Barbara</b>
-------------------	---

---

<b>Allocation Amount Requested:</b>	
<b>Tax-exempt:</b>	\$29,100,000

---

<b>Project Information:</b>	
<b>Name:</b>	<b>Central Plaza Apartments</b>
<b>Project Address:</b>	200 McClelland Street
<b>Project City, County, Zip Code:</b>	Santa Maria, Santa Barbara, 93454

---

<b>Project Sponsor Information:</b>	
<b>Name:</b>	Central Plaza Apartments Resyndication, L.P. (Housing
<b>Principals:</b>	Robert P. Havlicek Jr., Executive Director/Secretary; Irene Melton, Director of Finance; Raymond F. Down, President; Mark Paul, Vice President
<b>Property Management Company:</b>	Housing Authority of the County of Santa Barbara

---

<b>Project Financing Information:</b>	
<b>Bond Counsel:</b>	Jones Hall, A Professional Law Corporation
<b>Private Placement Purchaser:</b>	Pacific Western Bank
<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

---

<b>Description of Proposed Project:</b>	
<b>State Ceiling Pool:</b>	Other Affordable Pool
<b>Total Number of Units:</b>	112
<b>Manager's Units:</b>	1 Unrestricted
<b>Type:</b>	Acquisition and Rehabilitation
<b>Population Served:</b>	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:**

<b>Estimated Total Development Cost:</b>	\$ 51,382,695	
<b>Estimated Hard Costs per Unit:</b>	\$ 120,000	(\$13,440,000 /112 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 458,774	(\$51,382,695 /112 units including mgr. units)
<b>Allocation per Unit:</b>	\$ 259,821	(\$29,100,000 /112 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 262,162	(\$29,100,000 /111 restricted units)

<b>Sources of Funds:</b>	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
<b>Total Sources</b>	<b>\$ 51,382,695</b>	<b>\$ 51,382,695</b>

<b>Uses of Funds:</b>	
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
<b>Total Uses</b>	<b>\$ 51,382,695</b>

**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
<b>Total Points</b>	<b>145</b>	<b>125</b>	<b>135.00</b>