

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 20, 2016
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Devon King

Applicant: Housing Authority of the City of San Buenaventura

Allocation Amount Requested: Tax-exempt: \$42,000,000

Project Information:

Name: Villages at Westview Phase I Apartments
Project Address: 231 W. Vince Street
Project City, County, Zip Code: San Buenaventura, Ventura, 93001

Project Sponsor Information:

Name: Villages at Westview L.P. (Villages at Westview I LLC)
Principals: Cynthia Parker, Susan M. Johnson, D. Kemp Valentine, Rebecca Hlebasko, and Kimberly McKay for Village at Westview LLC
Property Management Company: Housing Authority of the City of San Buenaventura

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citibank, N.A.
TEFRA Noticing Date: April 22, 2016
TEFRA Adoption Date: May 9, 2016

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 130, plus 1 manager unit
Type: New Construction
Type of Units: Family

Villages at Westview Phase I sits on a 7.67-acre site. The existing 72 public housing units will be replaced with 131 new affordable units. 72 units will be replacement public housing through the HUD RAD program. The remaining 59 units will have project based vouchers, issued through the Housing Authority of the City of San Buenaventura. Phase I will consist of 131 new modern one to four bedroom apartment units in 18 two- and threestory garden style buildings. The project will have a community room, a community kitchen, laundry facilities, and HACSB offices for social service delivery. The project will also have extensive outdoor space including a tot lot, a community garden, barbeques, and picnic areas. In addition, each unit will have its own outdoor space. The project will include many resident-benefiting services that are run and/or coordinated by HACSB. There will be 19 one-bedroom units, 61 two-bedroom units, 40 three-bedroom units, and 11 four bedroom units. Unit amenities include washer/dryer hookup, refrigerator, range/oven, dishwasher, patio or balcony with storage, and coat closets. Construction is scheduled to begin in December 2016 with an expected completion date of March 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 96%
55% (72 units) restricted to 50% or less of area median income households.
41% (53 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3 & 4 bedrooms

The proposed project will not be providing service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost: \$ 56,140,695
Estimated Hard Costs per Unit: \$ 233,951 (\$30,413,596 /130 units)
Estimated per Unit Cost: \$ 431,852 (\$56,140,695 /130 units)
Allocation per Unit: \$ 323,077 (\$42,000,000 /130 units)
Allocation per Restricted Rental Unit: \$ 323,077 (\$42,000,000 /125 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 42,000,000	\$ 15,872,000
Taxable Bond Proceeds	\$ 0	\$ 1,950,000
LIH Tax Credit Equity	\$ 2,246,673	\$ 23,790,464
Developer Equity	\$ 100	\$ 100
Deferred Developer Fee	\$ 3,250,519	\$ 3,669,053
Deferred Costs	\$ 1,226,506	\$ 3,442,181
Seller Carryback Loan	\$ 5,773,596	\$ 5,773,596
AHP	\$ 1,300,000	\$ 1,300,000
AHP and HACSB accrued interest	\$ 343,300	\$ 343,300
Total Sources	<u>\$ 56,140,694</u>	<u>\$ 56,140,694</u>

Uses of Funds:	
Land Cost/Acquisition	\$ 5,773,596
Relocation	\$ 1,500,000
New Construction	\$ 33,136,181
Architectural Fees	\$ 1,255,600
Survey and Engineering	\$ 1,185,235
Construction Interest and Fees	\$ 2,933,034
Permanent Financing	\$ 444,550
Legal Fees	\$ 460,000
Reserves	\$ 459,006
Appraisal	\$ 15,000
Local Development Impact Fees	\$ 903,683
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 2,014,290
Developer Costs	<u>\$ 6,060,519</u>
Total Uses	<u>\$ 56,140,694</u>

Description of Financial Structure and Bond Issuance:

The proposed financial structure will be a private placement by Citibank N.A. The construction period will have a loan term of 30 months. The interest rate will be a variable interest rate equal to the sum of the one month LIBOR plus a spread of 1.75%. The permanent phase will have a loan term of 30 years and an amortization period of 35 years. The loan will carry a fixed interest rate equal to the sum of the 19 year LIBOR swap index plus a spread of 2.25%.

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: 55 out of 140
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$42,000,000 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	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	0
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	0
Sustainable Building Methods	10	10	0
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	55

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.