

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
October 19, 2016
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Louise Eller

Applicant: City of Oceanside

Allocation Amount Requested:
Tax-exempt: \$8,000,000

Project Information:
Name: Villa Storia Apartments
Project Address: NE corner of Academy Road and Mission Avenue
Project City, County, Zip Code: Oceanside, San Diego, 92057

Project Sponsor Information:
Name: Villa Storia CIC, L.P. (CIC Villa Storia, LLC and Pacific Southwest Community Development Corporation)
Principals: James J. Schmid, Cheri Hoffman, Charles A. Schmid and Lynn Schmid for CIC Villa Storia, LLC. Robert W. Laing, Juan P. Arroyo, Michael T. Walsh and Tony Reyes for Pacific Southwest Community Development Corporation.
Property Management Company: CIC Management, Inc.

Project Financing Information:
Bond Counsel: Best Best & Krieger LLP
Private Placement Purchaser: Citibank, N.A.
Public Sale: Not Applicable
Underwriter: Not Applicable
TEFRA Noticing Date: July 27, 2016
TEFRA Adoption Date: August 10, 2016

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 37, plus 1 manager unit
Type: New Construction
Type of Units: Family

Villa Storia is a new construction project located in Oceanside on a 1.89 acre site. The project consists of 37 restricted rental units and 1 manager unit. The project will have 12 one-bedroom units, 20 two-bedroom units and 5 three-bedroom units. The construction materials include a type-V wood frame, concrete slab foundation and stucco siding. The in-unit construction amenities will include a refrigerator, dishwasher, stove/oven, microwave, disposal, central heating/cooling system, blinds and carpet, central hot water, energy efficient design and water saving features. Unit amenities include blinds, vinyl plank flooring and central air conditioning. Each unit will be equipped with a frost-free refrigerator, oven, dishwasher and garbage disposal. Supportive Services will be provided to the residents free of charge at the onsite community room. Other community amenities include on-site laundry facilities, a community kitchen, outdoor play area and a computer room. Construction is expected to begin January 2017 and complete in January 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
11% (4 units) restricted to 50% or less of area median income households.
89% (33 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 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:	\$	12,556,905	
Estimated Hard Costs per Unit:	\$	110,298	(\$4,081,018 /37 units)
Estimated per Unit Cost:	\$	330,445	(\$12,556,905 /38 units including mgr. units)
Allocation per Unit:	\$	216,216	(\$8,000,000 /37 units)
Allocation per Restricted Rental Unit:	\$	216,216	(\$8,000,000 /37 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 8,000,000	\$ 3,232,385
Master Developer Loan	\$ 1,323,888	\$ 1,323,888
LIH Tax Credit Equity	\$ 539,462	\$ 5,394,619
Land and Infrastructure Contribution	\$ 2,163,944	\$ 2,163,944
Deferred Developer Fee	\$ 442,069	\$ 442,069
Deferred Costs	\$ 87,541	\$ 0
Total Sources	\$ 12,556,904	\$ 12,556,905
 Uses of Funds:		
Land Cost/Acquisition	\$ 2,173,943	
New Construction	\$ 5,726,870	
Contractor Overhead	\$ 208,250	
Architectural Fees	\$ 315,350	
Survey and Engineering	\$ 235,400	
Construction Interest and Fees	\$ 476,080	
Permanent Financing	\$ 106,743	
Legal Fees	\$ 155,000	
Reserves	\$ 105,815	
Appraisal	\$ 10,000	
Contingency Cost	\$ 296,756	
Local Development Impact Fees	\$ 766,318	
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 438,311	
Developer Costs	\$ 1,542,069	
Total Uses	\$ 12,556,905	

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 approves \$8,000,000 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	0
Exceeding Minimum Income Restrictions:	35	15	25
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	0
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
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.