

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**March 21, 2007**  
**Executive Summary**  
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A***  
***QUALIFIED RESIDENTIAL RENTAL PROJECT***

*Prepared by Brady Hill.*

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**Applicant:** City of Santa Paula

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**Allocation Amount Requested:** Tax-exempt \$10,000,000

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**Project Name:** Santa Paulan Apartments  
**Project Address:** 115 N. 4<sup>th</sup> Street  
**Project City, County, Zip Code:** Santa Paula, Ventura, 93060

The proposed Project is located in a Community Revitalization Area, more specifically the Santa Paula Redevelopment Project Area.

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**Project Sponsor Information:**  
**Name:** Cabrillo Economic Development Corporation  
**Principals:** Rodney Fernandez and Nancy Tillie

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**Project Financing Information:**  
**Bond Counsel:** Quint & Thimmig LLP  
**Underwriter:** Not applicable  
**Credit Enhancement Provider:** Not applicable  
**Private Placement Purchaser:** Citibank  
**TEFRA Hearing:** January 16, 2007

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**Description of Proposed Project:**  
**State Ceiling Pool:** Rural  
**Total Number of Units:** 148, plus 2 manager units  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Senior

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project: 100%**  
30% (45 units) restricted to 50% or less of area median income households; and  
70% (103 units) restricted to 60% or less of area median income households.  
**Unit Mix:** Studio, 1 and 2 bedrooms

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**Term of Restrictions:** 55 years

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|---|---|
| <b>Estimated Total Development Cost:</b>      | \$11,956,287                                  |
| <b>Estimated Hard Costs per Unit:</b>         | \$ 10,135 (\$1,500,000/148 units)             |
| <b>Estimated per Unit Cost:</b>               | \$ 80,785 (\$11,956,287/148 units)            |
| <b>Allocation per Unit:</b>                   | \$ 67,568 (\$10,000,000/148 units)            |
| <b>Allocation per Restricted Rental Unit:</b> | \$ 67,568 (\$10,000,000/148 restricted units) |

| <b>Sources of Funds:</b>       | <u>Construction</u> | <u>Permanent</u>    |
|--------------------------------|---------------------|---------------------|
| Tax-Exempt Bond Proceeds       | \$ 8,530,549        | \$ 6,219,965        |
| Developer Equity               | \$ 0                | \$ 338              |
| Deferred Uses                  | \$ 1,059,755        | \$ 0                |
| LIH Tax Credit Equity          | \$ 100,000          | \$ 3,379,809        |
| Direct & Indirect Public Funds | \$ 583,300          | \$ 583,300          |
| Seller Take Back Note          | \$ 1,682,683        | \$ 1,682,683        |
| Other                          | <u>\$ 0</u>         | <u>\$ 90,192</u>    |
| <b>Total Sources</b>           | <b>\$11,956,287</b> | <b>\$11,956,287</b> |

| <b>Uses of Funds:</b>        |                     |
|------------------------------|---------------------|
| Land Purchase                | \$ 8,000,000        |
| Hard Construction Costs      | \$ 1,500,000        |
| Architect & Engineering Fees | \$ 60,000           |
| Contractor Overhead & Profit | \$ 210,000          |
| Developer Fee                | \$ 660,129          |
| Relocation                   | \$ 100,000          |
| Cost of Issuance             | \$ 178,763          |
| Capitalized Interest         | \$ 159,509          |
| Other Soft Costs             | <u>\$ 1,087,886</u> |
| <b>Total Uses</b>            | <b>\$11,956,287</b> |

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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:** 78.2 out of 128

[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$10,000,000 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 |
|---|--|--|---------------|
| Federally Assisted At-Risk Project or HOPE VI Project   | 20   | 20   | 0             |
| Exceeding Minimum Income Restrictions:<br>Non-Mixed Income Project<br>Mixed Income Project  | 35   | 15   | 35            |
| Gross Rents   | 5  | 5  | 5             |
| Exceeding Minimum Rent Restrictions<br>[Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project] | [10]   | [10]   | 10            |
| Large Family Units  | 5  | 5  | 0             |
| Leveraging  | 10   | 10   | 5.2           |
| Community Revitalization Area   | 15   | 15   | 10            |
| Site Amenities  | 10   | 10   | 10            |
| Service Amenities   | 10   | 10   | 0             |
| Sustainable Building Methods  | 8  | 8  | 3             |
| New Construction  | 10   | 10   | 0             |
| Negative Points   | NA   | NA   | 0             |
| <b>Total Points</b>   | <b>128</b>   | <b>108</b>                                       | <b>78.2</b>   |

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.