

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**December 13, 2017**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Ruben Barcelo*

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**Applicant:** California Municipal Finance Authority

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**Allocation Amount Requested:**

**Tax-exempt:** \$536,359

The amount of allocation requested is supplemental to the \$14,463,641 of allocation the Project received on July 19, 2017.

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**Project Information:**

**Name:** Ormond Beach Villas Apartments (supplemental)  
**Project Address:** 5527 and 5557 South Saviers Road  
**Project City, County, Zip Code:** Oxnard, Ventura, 93033

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**Project Sponsor Information:**

**Name:** Ormond Beach LP (Ormond Beach LLC)  
**Principals:** Rick Schroeder, Alexander Russell and Susan Cass  
**Property Management Company:** The John Stewart Company

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**Project Financing Information:**

**Bond Counsel:** Quint & Thimmig LLP  
**Private Placement Purchaser:** MUFG Union Bank, N.A.  
**Cash Flow Permanent Bond:** Not Applicable  
**Public Sale:** Not Applicable  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Rating:** Not Applicable  
**TEFRA Noticing Date:** November 2, 2017  
**TEFRA Adoption Date:** November 28, 2017

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 40  
**Manager's Units:** 1 Unrestricted  
**Type:** New Construction  
**Population Served:** Veterans

Ormond Beach Villas Apartments is a new construction project located in Oxnard on a 1.81-acre site. The project consists of 39 restricted rental units and 1 unrestricted manager's unit. The project will provide 15 one-bedroom units, 20 two-bedroom units and 5 three-bedroom units and will be comprised of five buildings. Under the Veterans Housing and Homelessness Prevention (VHHP) program, the project will serve only veteran individuals and veteran families. Common amenities will include a community room, laundry facilities, management offices and garage parking. Each unit will feature gas oven/range, garbage disposal, HVAC and a patio. Construction is expected to begin in March 2018 and to be completed in May 2019.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%

64% (25 units) restricted to 50% or less of area median income households.

36% (14 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:**

<b>Estimated Total Development Cost:</b>	\$ 19,486,831	
<b>Estimated Hard Costs per Unit:</b>	\$ 233,624	(\$9,344,955 /40 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 487,171	(\$19,486,831 /40 units including mgr. units)
<b>Allocation per Unit:</b>	\$ 375,000	(\$15,000,000 /40 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 384,615	(\$15,000,000 /39 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 14,999,999	\$ 4,410,000
LIH Tax Credit Equity	\$ 0	\$ 6,670,503
Deferred Developer Fee	\$ 613,309	\$ 613,309
Deferred Costs	\$ 1,437,497	\$ 0
City of Oxnard HOME	\$ 992,624	\$ 992,624
HCD-VHHP	\$ 0	\$ 5,607,858
Ventura County HOME and CDBG	\$ 962,747	\$ 1,110,337
GP Capital Contribution	\$ 100	\$ 100
LP Capital Contribution	\$ 398,454	\$ 0
Accrued Deferred Interest	\$ 82,100	\$ 82,100
<b>Total Sources</b>	<b>\$ 19,486,830</b>	<b>\$ 19,486,831</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 1,065,000
New Construction	\$ 10,356,797
Contractor Overhead & Profit	\$ 607,173
Architectural Fees	\$ 447,300
Survey and Engineering	\$ 167,300
Construction Interest and Fees	\$ 994,958
Permanent Financing	\$ 10,000
Legal Fees	\$ 160,000
Reserves	\$ 440,482
Appraisal	\$ 15,000
Hard Cost Contingency	\$ 1,098,897
Local Development Impact Fees	\$ 849,411
Other Project Costs (primarily permit fees and soft contingency)	\$ 1,048,573
Predevelopment Holding Cost	\$ 170,452
Title, Recording & Transfer Tax for Acquisition	\$ 50,164
Developer Costs	\$ 2,005,324
<b>Total Uses</b>	<b>\$ 19,486,831</b>

**Analyst Comments:**

None.

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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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**Recommendation:**

Staff recommends that the Committee approve \$536,359 in tax-exempt bond allocation.