

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**January 27, 2010**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Brady Hill*

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**Applicant:** California Municipal Finance Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$15,156,000

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**Project Information:**  
**Name:** Azahar Place Apartments  
**Project Address:** Intersection of Citrus Drive and Peach Avenue  
**Project City, County, Zip Code:** Ventura, Ventura, 93004

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**Project Sponsor Information:**  
**Name:** To be formed, LP (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:** Wells Fargo Bank, N.A. (construction)  
California Community Reinvestment Corporation (permanent)  
**TEFRA Hearing Date:** September 28, 2009

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 59, plus 1 manager unit  
**Type:** New Construction  
**Type of Units:** Family

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project:** 100%  
39% (23 units) restricted to 50% or less of area median income households.  
61% (36 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2, 3 & 4 bedrooms

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**Term of Restrictions:**  
**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 28,834,469	
<b>Estimated Hard Costs per Unit:</b>	\$ 260,097	(\$15,345,749 /59 units)
<b>Estimated per Unit Cost:</b>	\$ 488,720	(\$28,834,469 /59 units)
<b>Allocation per Unit:</b>	\$ 256,881	(\$15,156,000 /59 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 256,881	(\$15,156,000 /59 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 15,156,000	\$ 1,089,000
Deferred Developer Fee	\$ 1,610,745	\$ 1,610,745
Developer Equity	\$ 100	\$ 100
LIH Tax Credit Equity	\$ 1,983,172	\$ 8,604,000
Direct & Indirect Public Funds	\$ 7,800,121	\$ 15,900,121
Neighbor Works of America	300,000	300,000
Local Impact Fee Loan	\$ 1,330,503	\$ 1,330,503
Deferred Costs	\$ 653,828	\$ 0
<b>Total Sources</b>	<b>\$ 28,834,469</b>	<b>\$ 28,834,469</b>

<b>Uses of Funds:</b>	
Land Purchase	\$ 2,700,000
On & Off Site Costs	\$ 2,389,212
Hard Construction Costs	\$ 12,956,537
Architect & Engineering Fees	\$ 1,326,057
Contractor Overhead, Profit & Supervision	\$ 1,063,118
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 397,031
Capitalized Interest	\$ 792,197
Other Soft Costs	\$ 4,710,317
<b>Total Uses</b>	<b>\$ 28,834,469</b>

**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:** 75.5 out of 118

[See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$15,156,000 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:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	0
Gross Rents	5	5	0
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
<b>Total Points</b>	<b>118</b>	<b>98</b>	<b>75.5</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.