

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**May 26, 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:** \$500,000

The amount of allocation requested is supplemental to the \$7,250,000 of allocation the Project received on September 9, 2009.

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**Project Information:**

**Name:** Fanita 48 Family Apartments  
**Project Address:** 8616-8630 Fanita Drive  
**Project City, County, Zip Code:** Santee, San Diego, 92071

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**Project Sponsor Information:**

**Name:** Fanita 48, L.P. (Pacific Southwest Development Corporation and Fanita 48 Chelsea Investment Corporation, LLC)  
**Principals:** Robert W. Laing and Tony Reyes for Pacific Southwest Community Development Corporation; James J. Schmid for Fanita 48 CIC, LLC

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**Project Financing Information:**

**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** U.S. Bank National Association (Construction and Permanent)  
Municipal Capital Appreciation Partners IV, L.P. (Construction and Perm)  
**TEFRA Hearing Date:** July 22, 2009

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 47, 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%  
21% (10 units) restricted to 50% or less of area median income households.  
79% (37 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2 & 3 bedrooms

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**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 15,414,510	
<b>Estimated Hard Costs per Unit:</b>	\$ 122,574	(\$5,760,999 /47 units)
<b>Estimated per Unit Cost:</b>	\$ 327,968	(\$15,414,510 /47 units)
<b>Allocation per Unit:</b>	\$ 10,638	(\$500,000 /47 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 10,638	(\$500,000 /47 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 7,500,000	\$ 4,585,000
Direct & Indirect Public Funds	\$ 5,276,000	\$ 5,276,000
ARRA Grant	\$ 1,270,085	\$ 1,270,085
Deferred Fees and Reserves	\$ 495,499	\$ 0
Deferred Developer Fee	\$ 0	\$ 381,030
LIH Tax Credit Equity	\$ 872,926	\$ 3,902,395
<b>Total Sources</b>	<b>\$ 15,414,510</b>	<b>\$ 15,414,510</b>

<b>Uses of Funds:</b>	
Acquisition Costs	\$ 1,910,000
New Construction Costs	\$ 7,042,280
Architectural	\$ 343,963
Survey & Engineering	\$ 127,000
Contingency Costs	\$ 405,000
Construction Period Expenses	\$ 772,548
Permanent Financing Expenses	\$ 163,050
Legal Fees	\$ 476,250
Capitalized Reserves	\$ 142,679
Reports & Studies	\$ 24,000
Other (Marketing, etc)	\$ 2,514,779
Developer Costs	\$ 1,492,961
<b>Total Uses</b>	<b>\$ 15,414,510</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.

**Recommendation:**

Staff recommends that the Committee approve \$500,000 in tax exempt bond allocation.