

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**December 16, 2015**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Brian Clark*

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**Applicant:** Area Housing Authority of the County of Ventura

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**Allocation Amount Requested:**  
**Tax-exempt:** \$4,250,000

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**Project Information:**  
**Name:** Bradford Apartments  
**Project Address:** 131 West Ponderosa Drive, 127 West Calle La Sombra, 126 Ripley Street  
**Project City, County, Zip Code:** Camarillo, Ventura, 93010

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**Project Sponsor Information:**  
**Name:** Bradford27, LP (Area Housing Authority of the County of Ventura)  
**Principals:** Michael C. Nigh, Jane McClenahan and Jorgen Nielsen for Area Housing Authority of the County of Ventura.  
**Property Management Company:** Area Housing Authority of the County of Ventura

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**Project Financing Information:**  
**Bond Counsel:** Quint & Thimmig, LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Montecito Bank and Trust  
**TEFRA Adoption Date:** November 4, 2015

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 26, plus 1 manager unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Family

The Project, constructed in 1972, is located on 0.72 acres of land in Camarillo. The Project, consisting of 3 two-story residential buildings, contains 26 tenant units (21 one-bedroom units and 2 two-bedroom units) and a single two-bedroom manager's unit. Unit amenities include a stove/oven, refrigerator, garbage disposal, carpeting, blinds and a coat closet. Community amenities include a laundry facility and on-site management. The Project has two levels of apartments built over tuck under parking. This type of development has proven to be in danger of structural collapse in an earthquake, because the hollow pipe columns at 16 foot intervals do not hold the building down to the earth and are unable to withstand the force of the building as a live load in a significant earthquake. The proposed renovations will seek to correct this problem by inserting large welded "X" frames, installing a new, continuous iron beam at the two load-bearing wall assemblies, and by stripping the plaster off the exterior of the building, re-sheeting with structurally-nailed plywood, and installing earthquake straps. With the building exterior gone, new wall insulation, dual-glazed windows, waterproofing, and a cement-fiberglass finish will be installed. The roof will also be replaced, structurally nailed as a shear panel, and have solar photovoltaic collectors installed. Rehabilitation is expected to begin in March 2016 and be completed in December 2016.

**Description of Public Benefits:**

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

12% (3 units) restricted to 50% or less of area median income households.

88% (23 units) restricted to 60% or less of area median income households.

**Unit Mix:** 1 & 2 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>	\$ 7,311,872	
<b>Estimated Hard Costs per Unit:</b>	\$ 46,963	(\$1,221,040 /26 units)
<b>Estimated per Unit Cost:</b>	\$ 281,226	(\$7,311,872 /26 units)
<b>Allocation per Unit:</b>	\$ 163,462	(\$4,250,000 /26 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 163,462	(\$4,250,000 /26 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 4,250,000	\$ 2,475,000
Operating Income	\$ 286,967	\$ 286,967
LIH Tax Credit Equity	\$ 454,543	\$ 2,272,716
Direct & Indirect Public Funds	\$ 2,050,000	\$ 2,050,000
Deferred Developer Fee	\$ 0	\$ 227,189
Developer Equity	\$ 270,362	\$
<b>Total Sources</b>	\$ 7,311,872	\$ 7,311,872
<b>Uses of Funds:</b>		
Acquisition/Land Purchase	\$ 4,650,000	
Hard Construction Costs	\$ 1,221,040	
Architect & Engineering Fees	\$ 50,000	
Contractor Overhead & Profit	\$ 150,000	
Developer Fee	\$ 397,010	
Legal Fees	\$ 40,000	
Relocation	\$ 270,000	
Cost of Issuance	\$ 278,688	
Operating Reserve	\$ 79,792	
Construction and Permanent Financing	\$ 157,250	
Other Soft Costs (Marketing, etc.)	\$ 18,092	
<b>Total Uses</b>	\$ 7,311,872	

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**Description of Financial Structure and Bond Issuance:**

During the construction financing phase the loan term will be for 24 months with a fixed interest rate of 4.75%.  
During the permanent financing phase, the loan term will be for 30 years with an amortization period of 30 years at a fixed rate of 4.75%. There was no underwritten rate provided.

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**Analyst Comments:**

Not Applicable

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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:**

57 out of 130

[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$4,250,000 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	26
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	0
Service Amenities	10	10	0
New Construction	10	10	0
Sustainable Building Methods	10	10	6
Negative Points	-10	-10	0
<b>Total Points</b>	<b>130</b>	<b>100</b>	<b>57</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.