

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.

Applicant: City of Santa Paula

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

Project Name: Santa Paulan Apartments
Project Address: 115 N. 4th 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.

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

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

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

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

Term of Restrictions: 55 years

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

Sources of Funds:	<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>
Total Sources	\$11,956,287	\$11,956,287

Uses of Funds:	
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>
Total Uses	\$11,956,287

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: 78.2 out of 128

[See Attachment A]

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: Non-Mixed Income Project Mixed Income Project	35	15	35
Gross Rents	5	5	5
Exceeding Minimum Rent Restrictions [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
Total Points	128	108	78.2

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.