

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 16, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Brady Hill

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$15,058,000

Project Information:
Name: Paseo Santa Barbara, Phase I Apartments
Project Address: 210 W. Santa Barbara Street
Project City, County, Zip Code: Santa Paula, Ventura, 93060

Project Sponsor Information:
Name: To be formed, LP (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: Wells Fargo Bank, N.A. (construction)
California Community Reinvestment Corporation (permanent)
TEFRA Hearing Date: June 29, 2009

Description of Proposed Project:
State Ceiling Pool: Rural
Total Number of Units: 73, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
62% (45 units) restricted to 50% or less of area median income households.
38% (28 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 28,563,126	
Estimated Hard Costs per Unit:	\$ 173,363	(\$12,655,479 /73 units)
Estimated per Unit Cost:	\$ 391,276	(\$28,563,126 /73 units)
Allocation per Unit:	\$ 206,274	(\$15,058,000 /73 units)
Allocation per Restricted Rental Unit:	\$ 206,274	(\$15,058,000 /73 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 15,058,000	\$ 3,648,000
Developer Equity	\$ 100	\$ 100
Deferred Developer Fee	\$ 1,863,760	\$ 1,863,760
LIH Tax Credit Equity	\$ 2,223,000	\$ 6,352,000
Direct & Indirect Public Funds	\$ 8,187,870	\$ 16,159,266
GP Loan (NWA Funds)	\$ 540,000	\$ 540,000
Deferred Costs	\$ 690,396	\$ 0
Total Sources	\$ 28,563,126	\$ 28,563,126

Uses of Funds:	
Land Purchase	\$ 4,276,000
On & Off Site Costs	\$ 200,000
Hard Construction Costs	\$ 10,655,479
Architect & Engineering Fees	\$ 1,312,733
Contractor Overhead & Profit	\$ 1,504,521
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 270,370
Other Soft Costs	\$ 7,844,023
Total Uses	\$ 28,563,126

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 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$15,058,000 in tax exempt bond allocation on a carryforward basis.

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	10
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	78

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.