

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

Applicant: California Municipal Finance Authority

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

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

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: September 28, 2009

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

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

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

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

Sources of Funds:	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
Total Sources	\$ 28,834,469	\$ 28,834,469

Uses of Funds:	
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
Total Uses	\$ 28,834,469

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
Total Points	118	98	75.5

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.