

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**November 16, 2011**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Sarah Lester*

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**Applicant:** California Statewide Communities Development Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$9,150,000

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**Project Information:**  
**Name:** Colonial House Apartments  
**Project Address:** 705, 711 & 747 N. Oxnard Boulevard  
**Project City, County, Zip Code:** Oxnard, Ventura, 93030

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**Project Sponsor Information:**  
**Name:** Oxnard Pacific Associates, LP (Central Valley Coalition for Affordable Housing and Roope, LLC)  
**Principals:** Alan Jenkins, Sid McIntyre, Jennifer Bertuccio, Renee Downum, Steve Simmons and Christina Alley for Central Valley Coalition for Affordable Housing; and Caleb Roope for Roope, LLC  
**Property Management Company:** Cambridge Real Estate Services

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe, LLP  
**Underwriter:** Citibank, N.A.  
**Credit Enhancement Provider:** Freddie Mac  
**Private Placement Purchaser:** Citibank, N.A.  
**TEFRA Hearing Date:** September 27, 2011

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 43, plus 1 manager unit  
**Type:** New Construction  
**Type of Units:** Family

The proposed project is a 44 unit new construction project consisting of 43 restricted units and 1 manager unit located on a 2.18 acre parcel of vacant land in the City of Oxnard. The unit mix consists of eight (8) one-bedroom units, sixteen (16) two-bedroom units, twelve (12) three-bedroom units and eight (8) four-bedroom units. The project will target families earning up to 60% of the area median income for Ventura County. The units will be newly constructed two-story multi-family apartments over podium parking and commercial space. According to the application, construction is slated to begin in November 2011 with completion 12 months later in the fall of 2012.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
12% (5 units) restricted to 50% or less of area median income households.  
88% (38 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2, 3 & 4 bedrooms

There will be no services amenities included in the project.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$	16,564,499	
<b>Estimated Hard Costs per Unit:</b>	\$	180,973	(\$7,781,818 /43 units)
<b>Estimated per Unit Cost:</b>	\$	385,221	(\$16,564,499 /43 units)
<b>Allocation per Unit:</b>	\$	212,791	(\$9,150,000 /43 units)
<b>Allocation per Restricted Rental Unit:</b>	\$	212,791	(\$9,150,000 /43 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 9,150,000	\$ 5,100,000
Deferred Developer Fee	\$ 1,883,999	\$ 1,200,000
LIH Tax Credit Equity	\$ 1,183,500	\$ 5,917,499
Direct & Indirect Public Funds	\$ 4,347,000	\$ 4,347,000
Total Sources	\$ 16,564,499	\$ 16,564,499

<b>Uses of Funds:</b>	
Land Purchase	\$ 2,505,000
On & Off Site Costs	\$ 704,000
Hard Construction Costs	\$ 7,077,818
Architect & Engineering Fees	\$ 490,000
Contractor Overhead & Profit	\$ 542,024
Developer Fee	\$ 1,764,078
Cost of Issuance	\$ 624,646
Capitalized Interest	\$ 647,000
Other Soft Costs (Marketing, etc.)	\$ 2,209,933
Total Uses	\$ 16,564,499

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

The Project will be financed using a private placement structure with Citibank as a Freddie Mac delegated lender providing the credit enhancement attached to the tax-exempt bonds. The \$9,150,000 bond issuance through California Statewide Communities Development Authority (Interest Rate 3.9%, Term 24 months) will only consist of tax-exempt debt with 100% of the proceeds immediately escrowed with a bond trustee to be drawn down on a monthly basis for the project. Other sources of funding include a RDA loan from the City of Oxnard in the amount of \$4,200,000 (Interest Rate 3.00%, Term and Amortization 24 years), \$147,000 in accrued interest from the City of Oxnard RDA Loan, \$1,183,500 in low-income housing tax credit equity that will be paid during construction, \$1,754,113 in deferred developer fees and \$129,886 deferred by the owners (both deferred during construction). Upon lease-up of the entire project, the remainder of the low-income housing tax credit equity in the amount of \$4,733,999 will be available to pay the tax-exempt bond debt down to the \$5,100,000 (Interest Rate 4.93%, Term 35 years amortized for 30 years) level that can be supported by project operations, as well as pay down the deferred developer fee to \$1,200,000 and pay down the owner's deferral to \$0. The construction period is expected to be for 24 months.

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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:**

63.5 out of 118

[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$9,150,000 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	26
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	5
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	0
Negative Points	-10	-10	0
<b>Total Points</b>	<b>118</b>	<b>98</b>	<b>63.5</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.