

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**May 15, 2013**  
**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:** \$1,850,000

The amount of allocation requested is supplemental to the \$9,150,000 of allocation the Project received on November 16, 2011.

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**Project Information:**

**Name:** Colonial House Apartments (supplemental)  
**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 Cambridge Real Estate Services  
**Property Management Company:**

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**Project Financing Information:**

**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Wells Fargo Bank, 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 are no service amenities included in the project.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

**Estimated Total Development Cost:** \$ 20,603,591  
**Estimated Hard Costs per Unit:** \$ 254,269 (\$10,933,570 /43 units)  
**Estimated per Unit Cost:** \$ 479,153 (\$20,603,591 /43 units)  
**Allocation per Unit:** \$ 43,023 (\$1,850,000 /43 units)  
**Allocation per Restricted Rental Unit:** \$ 43,023 (\$1,850,000 /43 restricted units)

The Project has total project costs that appear high for the geographic area in which it is located. According to the Project sponsor, the high cost is due to: 1) The project started as a high-end condo building (constr. bids came in much higher than expected); 2) LEED platinum designation; and 3) Re-routing of storm drains and sewer lines.

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 11,000,000	\$ 3,500,000
Developer Equity	\$ 0	\$ 440,000
Deferred Developer Fee	\$ 0	\$ 1,898,774
LIH Tax Credit Equity	\$ 4,108,071	\$ 8,417,817
Direct & Indirect Public Funds	\$ 4,347,000	\$ 6,347,000
Other (Def. Costs & Def. Dev. Fee)	\$ 1,148,520	\$ 0
<b>Total Sources</b>	<b>\$ 20,603,591</b>	<b>\$ 20,603,591</b>

<b>Uses of Funds:</b>	
Acquisition/Land Purchase	\$ 2,693,820
On & Off Site Costs	\$ 1,504,000
Hard Construction Costs	\$ 9,429,570
Architect & Engineering Fees	\$ 583,410
Contractor Overhead & Profit	\$ 1,124,699
Developer Fee	\$ 2,383,224
Cost of Issuance	\$ 348,961
Capitalized Interest	\$ 472,000
Other Soft Costs (Marketing, etc.)	\$ 2,063,907
<b>Total Uses</b>	<b>\$ 20,603,591</b>

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

The Project will be financed using a private placement structure provided by Wells Fargo Bank, N.A. ("the Bank"). The loan will be used by the Borrower solely to pay costs of constructing the improvements and for such other purposes as the Bank expressly agrees to in the loan agreement for the loan. The principal amount of the loan will be \$11,000,000. Of this amount, \$9,150,000 was originated on June 25, 2012 and \$1,850,000 ("incremental New Commitment"), the current supplemental tax-exempt bond allocation request, will be originated upon satisfaction of the terms of the Commitment but, in no event shall the loan exceed 80% of the total appraised value. The term of the loan shall mature July 1, 2014 with one (1) three (3) month option to extend the loan. The loan shall bear interest at a rate per annum (computed on the basis of a 360-day year, actual number of days elapsed) equal to 225 basis points (2.25%) in excess of LIBOR Rate).

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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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**Recommendation:**

Staff recommends that the Committee approve \$1,850,000 in tax exempt bond allocation.