

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 19, 2017
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Ruben Barcelo

Applicant: California Municipal Finance Authority

Allocation Amount Requested: Tax-exempt: \$14,463,641

Project Information: Name: Ormond Beach Villas Apartments
Project Address: 5527 and 5557 South Saviers Road
Project City, County, Zip Code: Oxnard, Ventura, 93033

Project Sponsor Information: Name: Ormond Beach LP (Ormond Beach LLC)
Principals: Rick Schroeder, Alexander Russell and Susan Cass
Property Management Company: The John Stewart Company

Project Financing Information: Bond Counsel: Quint & Thimmig LLP
Private Placement Purchaser: MUFG Union Bank, N.A. (construction)/California
Community Reinvestment Corporation (permanent)
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: August 25, 2016
TEFRA Adoption Date: September 13, 2016

Description of Proposed Project: State Ceiling Pool: General
Total Number of Units: 40
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Veterans

Ormond Beach Villas Apartments is a new construction project located in Oxnard on a 1.81-acre site. The project consists of 39 restricted rental units and 1 unrestricted manager's unit. The project will provide 15 one-bedroom units, 20 two-bedroom units and 5 three-bedroom units and will be comprised of five buildings. Under the Veterans Housing and Homelessness Prevention (VHHP) program, the project will serve only veteran individuals and veteran families. Common amenities will include a community room, laundry facilities, management offices and garage parking. Each unit will feature gas oven/range, garbage disposal, HVAC and a patio. Construction is expected to begin in December 2017 and to be completed in February 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

64% (25 units) restricted to 50% or less of area median income households.

36% (14 units) restricted to 60% or less of area median income households.

Unit Mix: 1, 2 & 3 bedrooms

The proposed project will not be providing service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 18,145,528	
Estimated Hard Costs per Unit:	\$ 206,475	(\$8,258,995 /40 units including mgr. units)
Estimated per Unit Cost:	\$ 453,638	(\$18,145,528 /40 units including mgr. units)
Allocation per Unit:	\$ 361,591	(\$14,463,641 /40 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 370,863	(\$14,463,641 /39 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 14,463,641	\$ 3,830,000
LIH Tax Credit Equity	\$ 0	\$ 5,930,785
General Partner Capital Contribution	\$ 100	\$ 100
Deferred Developer Fee	\$ 0	\$ 605,324
Deferred Costs	\$ 1,317,812	\$ 0
VHHP Loan	\$ 0	\$ 5,607,858
Limited Partner Capital Contribution	\$ 192,514	\$ 0
City of Oxnard HOME	\$ 992,624	\$ 992,624
Accrued/Deferred Interest	\$ 68,500	\$ 68,500
Ventura County HOME & CDBG	\$ 1,110,337	\$ 1,110,337
Total Sources	\$ 18,145,528	\$ 18,145,528

Uses of Funds:	
Land Cost/Acquisition	\$ 1,065,000
New Construction	\$ 8,521,245
Contractor Overhead & Profit	\$ 533,857
Architectural Fees	\$ 447,300
Survey and Engineering	\$ 167,300
Construction Interest and Fees	\$ 927,358
Permanent Financing	\$ 29,764
Legal Fees	\$ 277,764
Reserves	\$ 705,245
Appraisal	\$ 15,000
Hard Cost Contingency	\$ 1,358,265
Local Development Impact Fees	\$ 849,411
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,022,079
Developer Costs	\$ 2,005,324
Predevelopment Interest/Holding Cost	\$ 170,452
Title, Recording & Transfer Tax	\$ 50,164
Total Uses	\$ 18,145,528

Analyst Comments:

None.

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:

65 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$14,463,641 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
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	0
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	65