

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**April 14, 2020**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Isaac Clark III*

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<b>Applicant:</b>	<b>California Municipal Finance Authority</b>
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<b>Allocation Amount Requested:</b>	<b>Tax-exempt:</b> \$29,201,442
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<b>Project Information:</b>	<b>Name:</b> Mountain View Apartments
	<b>Project Address:</b> 210-220 Santa Clara Street
	<b>Project City, County, Zip Code:</b> Fillmore, Ventura, 93015

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<b>Project Sponsor Information:</b>	<b>Name:</b> Many Mansions and Area Housing Authority of the County of Ventura (Mountain View 77, LLC a California Limited Liability Company)
	<b>Principals:</b> Rick Schroeder, President, Michael Nigh Executive Director for Mountain View 77, LLC a California Limited Liability Company
	<b>Property Management Company:</b> Many Mansions, a California Non-Profit Corporation

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<b>Project Financing Information:</b>	<b>Bond Counsel:</b> Quint & Thimmig LLP
	<b>Private Placement Purchaser:</b> U.S. Bank National Association
	<b>Cash Flow Permanent Bond:</b> Not Applicable
	<b>Public Sale:</b> Not Applicable
	<b>Underwriter:</b> Not Applicable
	<b>Credit Enhancement Provider:</b> Not Applicable
	<b>Rating:</b> Not Applicable
	<b>TEFRA Noticing Date:</b> October 31, 2019
	<b>TEFRA Adoption Date:</b> November 12, 2019

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<b>Description of Proposed Project:</b>	<b>State Ceiling Pool:</b> Rural
	<b>Total Number of Units:</b> 77
	<b>Manager's Units:</b> 1 Unrestricted
	<b>Type:</b> New Construction
	<b>Population Served:</b> Family

Mountain View Apartments is a new construction project located in Fillmore on a 3-acre site. The project consists of 77 restricted rental units, and 1 unrestricted manager unit. The project will have 37 one-bedroom units, 20 two-bedroom units and 19 three-bedroom units. Site amenities include a playground, community courtyards, shared outdoor living spaces, private patios/balconies, and a community center totaling in size of 2,753 sq. ft. The housing units will feature private balconies and porches. Each unit will include full bathrooms and kitchens designed with open floor plans to maximize the use of each unit. Heating, ventilation and air conditioning systems (HVAC) and ceiling fans will be installed as well. Kitchens will include prefinished cabinets and solid surface countertops. Appliances include a stove, a refrigerator, and a dishwasher. The construction is expected to begin September 2020 and be completed in November 2021.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
100% (76 units) restricted to 50% or less of area median income households.  
0% (0 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2 & 3 bedrooms

The proposed project will be receiving service amenity points.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 52,299,455	
<b>Estimated Hard Costs per Unit:</b>	\$ 392,005	(\$30,184,370 /77 units including mgr. unit)
<b>Estimated per Unit Cost:</b>	\$ 679,214	(\$52,299,455 /77 units including mgr. unit)
<b>Allocation per Unit:</b>	\$ 379,240	(\$29,201,442 /77 units including mgr. unit)
<b>Allocation per Restricted Rental Unit:</b>	\$ 384,230	(\$29,201,442 /76 restricted unit)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 29,201,442	\$ 11,131,000
Taxable Bond Proceeds	\$ 14,663,225	\$ 0
LIH Tax Credit Equity	\$ 0	\$ 18,622,551
Deferred Developer Fee	\$ 1,594,347	\$ 1,594,347
Costs Deferred Until Conversion	\$ 1,538,122	\$ 0
HCD MHP	\$ 0	\$ 17,398,993
County of Ventura CDBG Funds	\$ 1,037,200	\$ 0
Area Housing Authority Loan	\$ 500,000	\$ 500,000
CDBG	\$ 0	\$ 1,037,200
Capital Contribution (GP)	\$ 2,015,364	\$ 2,015,364
Capital Contribution (LP)	\$ 1,749,755	\$ 0
<b>Total Sources</b>	<b>\$ 52,299,455</b>	<b>\$ 52,299,455</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 3,572,340
Relocation	\$ 201,174
New Construction	\$ 27,393,624
Contractor Overhead & Profit	\$ 1,653,406
Architectural Fees	\$ 1,208,152
Survey and Engineering	\$ 362,446
Construction Interest and Fees	\$ 4,723,560
Permanent Financing	\$ 141,300
Legal Fees	\$ 60,000
Reserves	\$ 830,125
Appraisal	\$ 15,000
Hard Cost Contingency	\$ 3,104,042
Local Development Impact Fees	\$ 2,029,426
Other Project Costs	\$ 1,489,596
Developer Costs	\$ 5,515,264
<b>Total Uses</b>	<b>\$ 52,299,455</b>

**Analyst Comments:**

Structure line is \$21,887,247. Our off-site improvements are \$1,137,340 and our site improvements/landscape are \$3,022,282. Over the past two years, construction costs have increased 20% are just a few contributing factors to this projects high costs.

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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:**

130 out of 145 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$29,201,442 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
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]	10
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	5	5	5
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>145</b>	<b>125</b>	<b>130</b>