

**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*

---

**Applicant:** California Municipal Finance Authority

---

**Allocation Amount Requested:**  
**Tax-exempt:** \$7,110,591

---

**Project Information:**  
**Name:** Villa Lakeshore Apartments  
**Project Address:** 12606 Lakeshore Drive  
**Project City, County, Zip Code:** Lakeside, San Diego, 92040

---

**Project Sponsor Information:**  
**Name:** Villa Lakeshore 2020, LP (Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County, Inc. / Villa Lakeshore MGP 2020, LLC a California Limited Partnership / Hunt Capital Partners, LLC)  
**Principals:** Arnulfo Manriquez, President & CEO for Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County, Inc. & Villa Lakeshore MGP 2020, LLC, a California Limited Partnership / Dana Mayo, Executive Managing Director Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County, Inc.  
**Property Management Company:**

---

**Project Financing Information:**  
**Bond Counsel:** Jones Hall, A Professional Law Corporation  
**Private Placement Purchaser:** Banner Bank  
**Cash Flow Permanent Bond:** Not Applicable  
**Public Sale:** Not Applicable  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Rating:** Not Applicable  
**TEFRA Noticing Date:** January 2, 2020  
**TEFRA Adoption Date:** January 14, 2020

---

**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 34  
**Manager's Units:** 1 Unrestricted  
**Type:** Acquisition and Rehabilitation  
**Population Served:** Family

Villa Lakeshore Apartments is a new construction project located in San Diego on a 1.18-acre site. The project consists of 33 restricted rental units, and one (1) unrestricted manager unit. The entire project has 30 two-bedroom units and 4 three-bedroom units. Building exterior renovations will consist of repair and/or maintenance of roofing, gutters, lighting, walkways and stairwells. Unit renovations will include replacing existing windows with vinyl-framed insulated windows. Replacement of flooring with durable, hard-surface flooring such as vinyl plank throughout. All water heaters, furnaces, and air conditioners will be inspected and serviced, repaired, or replaced as appropriate. Additional items may include sink, faucets and supply line replacements as needed. The rehabilitation is expected to begin in April 2020 and completed by May 2021.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%

91% (30 units) restricted to 50% or less of area median income households.

9% (3 units) restricted to 60% or less of area median income households.

**Unit Mix:** 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>	\$ 12,353,997	
<b>Estimated Hard Costs per Unit:</b>	\$ 87,991	(\$2,991,690 /34 units including mgr. unit)
<b>Estimated per Unit Cost:</b>	\$ 363,353	(\$12,353,997 /34 units including mgr. unit)
<b>Allocation per Unit:</b>	\$ 209,135	(\$7,110,591 /34 units including mgr. unit)
<b>Allocation per Restricted Rental Unit:</b>	\$ 215,472	(\$7,110,591 /33 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 7,110,591	\$ 4,593,671
LH Tax Credit Equity	\$ 533,415	\$ 3,556,102
Income from Operators	\$ 368,484	\$ 368,484
Deferred Developer Fee	\$ 95,000	\$ 95,000
Costs Deferred Until Conversion	\$ 505,767	\$ 0
Seller Carryback Loan	\$ 3,529,000	\$ 3,529,000
Residual Receipt Loans	\$ 211,740	\$ 211,740
<b>Total Sources</b>	<b>\$ 12,353,997</b>	<b>\$ 12,353,997</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 5,650,000
Rehabilitation	\$ 3,425,241
Relocation	\$ 235,000
Architectural Fees	\$ 120,000
Survey and Engineering	\$ 25,000
Construction Interest and Fees	\$ 505,802
Permanent Financing	\$ 64,278
Legal Fees	\$ 107,500
Reserves	\$ 110,095
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 411,985
Local Development Impact Fees	\$ 25,000
Other Project Costs	\$ 665,088
Developer Costs	\$ 999,008
<b>Total Uses</b>	<b>\$ 12,353,997</b>

---

**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:**

112 out of 145 [See Attachment A]

---

**Recommendation:**

Staff recommends that the Committee approves \$7,110,591 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	10
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	10
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	2
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>112</b>