

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 26, 2012
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Crystal Alvarez

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$18,000,000

Project Information:
Name: Wagon Wheel Family Apartments
Project Address: Planning Area 12 and 13 at the intersection of Buckaroo and
Winchester Drive
Project City, County, Zip Code: Oxnard, Ventura, 93036

Project Sponsor Information:
Name: CRFL Family Apartments, LP (CRFL Housing Partners, LLC
and Wagon Wheel, LLC)
Principals: Forrest Lucas and Carl H. Renezeder for CRFL Housing
Partners, LLC; Nancy Conk, Nancy Tillie, Karen Flock and
Jessie R. Ornelas for Wagon Wheel, LLC
Property Management Company: Cabrillo Economic Development Corporation

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, N.A.
TEFRA Hearing Date: July 31, 2012

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 119, plus 1 manager unit
Type: New Construction
Type of Units: Family

The proposed project will be built as a 120 unit rental project on approximately 4.0 acres. The proposed project will target families earning between 30% and 60% of the AMI for Ventura County. The project will be 100% low-income housing tax credit rents, but some units will be held to significantly lower affordability levels. Wagon Wheel Apartments is intended to provide replacement housing for a mobile home park that will be demolished as part of the development of "The Village" a 64 acre Master Plan. The Village will provide 1,500 multifamily residential units, 50,000 square feet of retail, two parks and a multi-modal transit center located within the City Revitalization Area. Unit mix and affordability levels for the Project are modeled as closely as possible to the resident profiles of the mobile home park. The Regulatory Agreement will give mobile home park residents first rights of occupancy as part of their relocation options.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
76% (90 units) restricted to 50% or less of area median income households.
24% (29 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3 & 4 bedrooms

No service amenities will be provided.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	32,719,597	
Estimated Hard Costs per Unit:	\$	117,759	(\$14,013,280 /119 units)
Estimated per Unit Cost:	\$	274,955	(\$32,719,597 /119 units)
Allocation per Unit:	\$	151,261	(\$18,000,000 /119 units)
Allocation per Restricted Rental Unit:	\$	151,261	(\$18,000,000 /119 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 18,000,000	\$ 7,100,000
Developer Equity	\$ 0	\$ 881,113
LIH Tax Credit Equity	\$ 452,575	\$ 10,471,462
Direct & Indirect Public Funds	\$ 14,267,022	\$ 14,267,022
Total Sources	\$ 32,719,597	\$ 32,719,597

Uses of Funds:	
Acquisition/Land Purchase	\$ 3,000,000
On & Off Site Costs	\$ 3,250,000
Hard Construction Costs	\$ 10,763,280
Architect & Engineering Fees	\$ 600,000
Contractor Overhead & Profit	\$ 1,894,596
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 687,337
Capitalized Interest	\$ 543,583
Other Soft Costs (Marketing, etc.)	\$ 9,480,801
Total Uses	\$ 32,719,597

Description of Financial Structure and Bond Issuance:

The tax-exempt bonds will be privately placed with Citibank, N.A. The construction period funding loan will carry a variable interest rate based on SIFMA plus a spread . Currently, SIFMA is trading at approximately 0.15% for a current all-in rate of 2.90%. The permanent loan will have a term of 30 years and an amortization of 35 years. The fixed rate will depend on the market conditions at the time of closing, based on a 18 year MMD "AAA" bond rates as published by Thompson Municipal Market Monitor plus a spread of 2.30%. Additional funding for the project will come from a Redevelopment Area loan from the City of Oxnard and low-income housing tax credits.

Analyst Comments:

Not Applicable

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: 72.5 out of 130

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$18,000,000 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
Federally Assisted At-Risk Project or HOPE VI Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
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	10	10	0
Negative Points	-10	-10	0
Total Points	130	100	72.5

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.