

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 25, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Crystal Alvarez

Applicant: Housing Authority of the City of Santa Ana

Allocation Amount Requested:
Tax-exempt: \$1,166,000

Project Information:
Name: Raitt Apartments
Project Address: 702 S. Raitt Street
Project City, County, Zip Code: Santa Ana, Orange, 92704

Project Sponsor Information:
Name: Lacy & Raitt, L.P. (Orange Housing Development Corporation
L&R, LLC and C&C L&R, LLC)
Principals: Todd R. Cottle and Eunice Bobert

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Bank of America, N.A.
TEFRA Hearing: January 5, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 8, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (8 units) restricted to 50% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Estimated Total Development Cost:	\$	2,683,320	
Estimated Hard Costs per Unit:	\$	90,326	(\$722,610 /8 units)
Estimated per Unit Cost:	\$	335,415	(\$2,683,320 /8 units)
Allocation per Unit:	\$	145,750	(\$1,166,000 /8 units)
Allocation per Restricted Rental Unit:	\$	145,750	(\$1,166,000 /8 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 1,166,000	\$ 462,000
Developer Equity	\$ 25	\$ 25
LIH Tax Credit Equity	\$ 123,367	\$ 722,175
Direct & Indirect Public Funds	\$ 1,193,258	\$ 1,495,662
Deferred Developer Fee	\$ 200,670	\$ 3,458
Total Sources	\$ 2,683,320	\$ 2,683,320

Uses of Funds:	
Acquisition Costs	\$ 1,235,000
Hard Construction Costs	\$ 722,610
Architect & Engineering Fees	\$ 8,050
Contractor Overhead & Profit	\$ 88,200
Developer Fee	\$ 310,000
Relocation	\$ 20,700
Cost of Issuance	\$ 44,213
Capitalized Interest	\$ 115,434
Other Soft Costs	\$ 139,113
Total Uses	\$ 2,683,320

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: 60.5 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$1,166,000 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	0
Large Family Units	5	5	0
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	0
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	60.5

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.