

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 24, 2010
Staff Report
*REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT*

Prepared by: John Weir

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$4,707,060

Project Information:
Name: Hacienda Hills Apartments
Project Address: 67150 Hacienda Drive
Project City, County, Zip Code: Desert Hot Springs, Riverside, 92240

Project Sponsor Information:
Name: BIASA, L.P. (Hitzke Development Corporation and Ginger Hitzke)
Principals: Ginger Hitzke for Hitzke Development

Project Financing Information:
Bond Counsel: Quint & Thimmig LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Citibank, N.A./Freddie Mac
Private Placement Purchaser: Not Applicable
TEFRA Hearing Date: December 1, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 59, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
51% (30 units) restricted to 50% or less of area median income households.
49% (29 units) restricted to 60% or less of area median income households.
Unit Mix: 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	9,282,809	
Estimated Hard Costs per Unit:	\$	37,349	(\$2,203,614 /59 units)
Estimated per Unit Cost:	\$	157,336	(\$9,282,809 /59 units)
Allocation per Unit:	\$	79,781	(\$4,707,060 /59 units)
Allocation per Restricted Rental Unit:	\$	79,781	(\$4,707,060 /59 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 4,707,060	\$ 1,520,000
Developer Equity	\$ 0	\$ 311,381
LIH Tax Credit Equity	\$ 542,940	\$ 2,017,862
Direct & Indirect Public Funds	\$ 4,032,809	\$ 5,427,316
Other (Solar Rebates)	\$ 0	\$ 6,250
Total Sources	\$ 9,282,809	\$ 9,282,809

Uses of Funds:	
Land Purchase	\$ 3,509,000
On & Off Site Costs	\$ 1,153,708
Hard Construction Costs	\$ 1,049,906
Architect & Engineering Fees	\$ 429,853
Contractor Overhead & Profit	\$ 289,411
Developer Fee	\$ 755,832
Cost of Issuance	\$ 150,000
Capitalized Interest	\$ 340,000
Other Soft Costs	\$ 1,605,099
Total Uses	\$ 9,282,809

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: 63.1 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$4,707,060 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]	0.6
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	2.5
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
Total Points	118	98	63.1

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.