

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 26, 2010
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Richard Fischer

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$11,000,000

Project Information:
Name: Casa Grande Apartments
Project Address: 3100 East Whitmore Avenue
Project City, County, Zip Code: Ceres, Stanislaus, 95307

Project Sponsor Information:
Name: Grande, L.P. (Intercontinental Affordable Housing, Inc.)
Principals: Robert J. Lehman, Jey Samuel and Daniel Gutierrez

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Underwriter: Not Applicable
Private Placement Purchaser: Redstone Partners
TEFRA Hearing Date: August 24, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 99, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family/Federally Assisted At-Risk

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
81% (80 units) restricted to 50% or less of area median income households.
19% (19 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3 & 4 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 27,497,015	
Estimated Hard Costs per Unit:	\$ 28,135	(\$2,785,400 /99 units)
Estimated per Unit Cost:	\$ 277,748	(\$27,497,015 /99 units)
Allocation per Unit:	\$ 111,111	(\$11,000,000 /99 units)
Allocation per Restricted Rental Unit:	\$ 111,111	(\$11,000,000 /99 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 11,000,000	\$ 11,000,000
Deferred Developer Equity	\$ 1,302,690	\$ 179,670
LIH Tax Credit Equity	\$ 1,207,673	\$ 4,830,693
Direct & Indirect Public Funds	\$ 2,500,000	\$ 2,500,000
Other (Seller's Note)	\$ 7,000,000	\$ 4,500,000
Other (Bond Interest Income)	\$ 486,652	\$ 486,652
Total Sources	\$ 23,497,015	\$ 23,497,015

Uses of Funds:	
Acquisition Costs	\$ 15,694,000
Hard Construction Costs	\$ 2,785,400
Architect & Engineering Fees	\$ 285,817
Contractor Overhead & Profit	\$ 184,000
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 569,849
Capitalized Interest	\$ 1,280,449
Other Soft Costs (Marketing, etc.)	\$ 197,500
Total Uses	\$ 23,497,015

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: 75.5 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$11,000,000 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	10
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	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	128	108	75.5

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.