

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 28, 2009
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: Anaheim Housing Authority

Allocation Amount Requested:
Tax-exempt: \$23,500,000

Project Information:
Name: Lincoln Anaheim Phase B
Project Address: 1275-1287 East Lincoln Avenue
Project City, County, Zip Code: Anaheim, Orange, 92805

The proposed Project is located in a Community Revitalization area, more specifically in the Center Neighborhood District of Anaheim .

Project Sponsor Information:
Name: Lincoln Anaheim II Housing Partners L.P. (Lincoln / Anaheim II Housing Partners MGP, LLC and Related / Lincoln Anaheim II Development Co., LLC)
Principals: Jonathan Webb for Lincoln/ Anaheim II Housing Partners MGP, LLC and William A. Witte for Related/Lincoln Anaheim II Development Co., LLC

Project Financing Information:
Bond Counsel: Stradling, Yocca, Carlson & Rauth
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo, N.A. (Const.) and California Community Reinvestment Corporation (Perm.)
TEFRA Hearing: December 16, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 73, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
67% (49 units) restricted to 50% or less of area median income households.
33% (24 units) restricted to 60% or less of area median income households.
Unit Mix: 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 65 years

Estimated Total Development Cost:	\$	32,283,375	
Estimated Hard Costs per Unit:	\$	157,758	(\$11,516,331 /73 units)
Estimated per Unit Cost:	\$	442,238	(\$32,283,375 /73 units)
Allocation per Unit:	\$	321,918	(\$23,500,000 /73 units)
Allocation per Restricted Rental Unit:	\$	321,918	(\$23,500,000 /73 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 23,500,000	\$ 8,833,873
Deferred Developer Fee	\$ 1,837,127	\$ 1,300,000
LIH Tax Credit Equity	\$ 947,096	\$ 9,470,962
Direct & Indirect Public Funds	\$ 5,999,152	\$ 12,678,540
Other	\$	\$
Total Sources	\$ 32,283,375	\$ 32,283,375

Uses of Funds:	
Acquisition Costs	\$ 5,600,000
New Construction Costs	\$ 18,393,048
Architectural	\$ 667,258
Survey & Engineering	\$ 420,508
Contingency Costs	\$ 1,019,652
Construction Period Expenses	\$ 1,431,000
Permanent Financing Expenses	\$ 483,000
Legal Fees	\$ 100,000
Capitalized Reserves	\$ 286,430
Reports & Studies	\$ 70,000
Other (Marketing, etc)	\$ 1,312,479
Developer Costs	\$ 2,500,000
Total Uses	\$ 32,283,375

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: 118 out of 128
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$23,500,000 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]	10
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	10
Exceeding Minimum Term of Restrictions	10	10	10
Community Revitalization Area	15	15	5
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	128	108	118

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.