

**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*

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**Applicant:** Housing Authority of the City of Santa Ana

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**Allocation Amount Requested:**  
**Tax-exempt:** \$2,889,000

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**Project Information:**  
**Name:** Lacy Apartments  
**Project Address:** 703 N. Lacy Street  
**Project City, County, Zip Code:** Santa Ana, Orange, 92701

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

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**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

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 26, plus 1 manager unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Family

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project:** 100%  
100% (26 units) restricted to 50% or less of area median income households.  
**Unit Mix:** Studio, 1 & 2 bedrooms

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**Term of Restrictions:**  
**Income and Rent Restrictions:** 55 years

<b>Estimated Total Development Cost:</b>	\$	5,511,370	
<b>Estimated Hard Costs per Unit:</b>	\$	22,327	(\$580,514 /26 units)
<b>Estimated per Unit Cost:</b>	\$	211,976	(\$5,511,370 /26 units)
<b>Allocation per Unit:</b>	\$	111,115	(\$2,889,000 /26 units)
<b>Allocation per Restricted Rental Unit:</b>	\$	111,115	(\$2,889,000 /26 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 2,889,000	\$ 1,228,000
Deferred Developer Fee	\$ 75	\$ 75
LIH Tax Credit Equity	\$ 188,364	\$ 1,294,478
Direct & Indirect Public Funds	\$ 2,140,754	\$ 2,886,860
Operating & Replacement Reserve	\$ 293,177	\$ 101,957
<b>Total Sources</b>	<b>\$ 5,511,370</b>	<b>\$ 5,511,370</b>

<b>Uses of Funds:</b>	
Acquisition Costs	\$ 3,530,250
Hard Construction Costs	\$ 580,514
Architect & Engineering Fees	\$ 26,950
Contractor Overhead & Profit	\$ 70,856
Developer Fee	\$ 348,000
Relocation	\$ 69,300
Cost of Issuance	\$ 148,020
Capitalized Interest	\$ 286,011
Other Soft Costs	\$ 451,469
<b>Total Uses</b>	<b>\$ 5,511,370</b>

**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 \$2,889,000 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
<b>Total Points</b>	<b>118</b>	<b>98</b>	<b>60.5</b>

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.