

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 22, 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: \$1,015,000

The amount of allocation requested is supplemental to the \$11,000,000 of allocation the Project received on May 26, 2010.

Project Information:

Name: Casa Grande Apartments Supplemental
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: Merchant Capital, L.L.C.
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:	\$ 23,497,015	
Estimated Hard Costs per Unit:	\$ 29,994	(\$2,969,400 /99 units)
Estimated per Unit Cost:	\$ 237,344	(\$23,497,015 /99 units)
Allocation per Unit:	\$ 121,364	(\$1,015,000 /99 units)
Allocation per Restricted Rental Unit:	\$ 121,364	(\$1,015,000 /99 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 12,015,000	\$ 12,015,000
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)	\$ 5,985,000	\$ 3,485,000
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.

Recommendation:

Staff recommends that the Committee approve \$1,015,000 in tax exempt bond allocation.