

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 23, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Brady Hill.

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested: Tax-exempt \$30,000,000

Project Name: **The Rosslyn Lofts Apartments**
Project Address: 101 W. 5th Street
Project City, County, Zip Code: Los Angeles, Los Angeles, 90013

The proposed Project is located in a Community Revitalization Area, more specifically the City Center Redevelopment Project Area.

Project Sponsor Information:

Name: To be formed, LP (The Amerland Group, LLC)
Principals: Ruben Islas, Jules L.C. Arthur and Michele R. Arthur

Project Financing Information:

Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Citigroup Municipal Securities Division
TEFRA Hearing: April 19, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 243 with no manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 84%
10% (25 units) restricted to 50% or less of area median income households; and
74% (180 units) restricted to 60% or less of area median income households.
Unit Mix: Studio and 1 bedrooms

Term of Restrictions: 55 years

| | |
|-----------------------------------------------|------------------------------------------------|
| Estimated Total Development Cost: | \$45,834,308 |
| Estimated Hard Costs per Unit: | \$ 46,432 (\$11,283,045/243 units) |
| Estimated per Unit Cost: | \$ 188,619 (\$45,834,308/243 units) |
| Allocation per Unit: | \$ 123,457 (\$30,000,000/243 units) |
| Allocation per Restricted Rental Unit: | \$ 146,341 (\$30,000,000/205 restricted units) |

| | | |
|------------------------------------|---------------------|------------------|
| Sources of Funds: | <u>Construction</u> | <u>Permanent</u> |
| Tax-Exempt Bond Proceeds | \$30,000,000 | \$24,800,000 |
| Developer Equity | \$ 2,280,352 | \$ 2,000,000 |
| LIH Tax Credit Equity | \$12,008,981 | \$12,008,981 |
| Direct & Indirect Public Funds | \$ 0 | \$ 6,000,000 |
| Operating Income (Rehab & Leaseup) | \$ 0 | \$ 1,025,327 |
| Total Sources | \$44,289,333 | \$45,834,308 |

| | |
|------------------------------|--------------|
| Uses of Funds: | |
| Acquisition Cost | \$26,750,000 |
| Hard Construction Costs | \$11,283,045 |
| Architect & Engineering Fees | \$ 350,000 |
| Contractor Overhead & Profit | \$ 748,440 |
| Developer Fee | \$ 2,500,000 |
| Relocation | \$ 100,000 |
| Cost of Issuance | \$ 394,625 |
| Capitalized Interest | \$ 1,933,808 |
| Other Soft Costs | \$ 1,774,390 |
| Total Uses | \$45,834,308 |

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: 67 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$30,000,000 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 | 0 |
| Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project | 35 | 15 | 22 |
| Gross Rents | 5 | 5 | 5 |
| Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project] | [10] | [10] | 10 |
| Large Family Units | 5 | 5 | 0 |
| Leveraging | 10 | 10 | 0 |
| Community Revitalization Area | 15 | 15 | 15 |
| Site Amenities | 10 | 10 | 5 |
| Service Amenities | 10 | 10 | 10 |
| Sustainable Building Methods | 8 | 8 | 0 |
| New Construction | 10 | 10 | 0 |
| Negative Points | NA | NA | 0 |
| Total Points | 128 | 108 | 67 |

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.