

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 3, 2008
Staff Report
2008 HOUSING ACT VOLUME CAP (H.R. 3221)
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: City of Los Angeles

Allocation Amount Requested: Tax-exempt: \$8,100,000

Project Information:

Name: Casa Griffin Apartments
Project Address: 2669 Griffin Avenue
Project City, County, Zip Code: Los Angeles, Los Angeles, 90031

Project Sponsor Information:

Name: Griffin, L.P. (Intercontinental Affordable Housing, Inc.)
Principals: Robert J. Lehmann, Jey Samuel and Angel Vazquez

Project Financing Information:

Bond Counsel: Kutak Rock LLP
Underwriter: Not Applicable
Private Placement Purchaser: Hanmi Bank
TEFRA Hearing: August 13, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 39, plus 1 manager's 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%
13% (5 units) restricted to 50% or less of area median income households.
87% (34 units) restricted to 60% or less of area median income households.
Unit Mix: 2 and 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$14,285,394	
Estimated Hard Costs per Unit:	\$27,009	(\$1,053,333 / 39 units)
Estimated per Unit Cost:	\$366,292	(\$14,285,394 / 39 units)
Allocation per Unit:	\$207,692	(\$8,100,000 / 39 units)
Allocation per Restricted Rental Unit:	\$207,692	(\$8,100,000 / 39 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 8,100,000	\$ 8,100,000
Seller Note	\$ 3,550,000	\$ 1,800,000
Deferred Developer Fee	\$ 1,449,479	\$ 498,444
LIH Tax Credit Equity	\$ 900,345	\$ 3,601,380
Other Interim Income	\$ 285,570	\$ 285,570
Total Sources	<u>\$ 14,285,394</u>	<u>\$ 14,285,394</u>

Uses of Funds:	
Acquisition Costs	\$ 10,080,000
Rehabilitation Costs	\$ 1,200,800
Architectural	\$ 116,651
Survey & Engineering	\$ 40,000
Contingency Costs	\$ 200,000
Construction Period Expenses	\$ 271,356
Permanent Financing Expenses	\$ 192,877
Legal Fees	\$ 107,500
Capitalized Reserves	\$ 379,080
Reports & Studies	\$ 27,500
Other	\$ 180,400
Developer Costs	<u>\$ 1,489,230</u>
Total Uses	<u>\$ 14,285,394</u>

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: 79 out of 138

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$8,100,000 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	20
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	35	15	26
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
Exceeding Minimum Term of Restrictions	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	5
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	135	118	79

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.