

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 26, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Richard C. Fischer.

Applicant: Housing Authority of the County of Los Angeles

Allocation Amount Requested: Tax-exempt \$11,000,000

Project Name: Sierra Bonita Apartments
Project Address: 7530 Santa Monica Boulevard
Project City, County, Zip Code: West Hollywood, Los Angeles, 90046

The proposed Project is located in a Community Revitalization Area, more specifically the West Hollywood Eastside Redevelopment Project Area.

Project Sponsor Information:
Name: 7530 Santa Monica, L.P. (West Hollywood Community Housing Corporation)
Principals: Robin Conerly and Ted Zaluski

Project Financing Information:
Bond Counsel: Orrick Herrington & Sutcliffe, LLP
Underwriter: Not Applicable
Private Placement Purchaser: Wells Fargo Bank, N.A.
TEFRA Hearing: January 8, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 41, plus 1 manager unit
Type: New Construction
Type of Units: Special Needs

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (41 units) restricted to 50% or less of area median income households.
Unit Mix: 1-bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$17,149,982
Estimated Hard Costs per Unit:	\$ 245,467 (\$10,064,165/41 units)
Estimated per Unit Cost:	\$ 381,867 (\$15,656,564/41 units)
Allocation per Unit:	\$ 268,293 (\$11,000,000/41 units)
Allocation per Restricted Rental Unit:	\$ 268,293 (\$11,000,000/41 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$11,000,000	\$ 0
LIH Tax Credit Equity	\$ 100,000	\$ 5,999,981
Direct & Indirect Public Funds	<u>\$ 6,049,982</u>	<u>\$11,150,001</u>
Total Sources	\$17,149,982	\$17,149,982

Uses of Funds:	
Acquisition	\$ 9,500
New Construction	\$11,131,694
Architectural	\$ 410,080
Survey & Engineering	\$ 262,500
Contingency Costs	\$ 1,185,596
Construction Period Expenses	\$ 1,908,150
Legal Fees	\$ 145,000
Capitalized Reserves	\$ 258,492
Reports & Studies	\$ 30,500
Developer Costs	\$ 732,000
Other	<u>\$ 1,076,470</u>
Total Uses	\$17,149,982

Residential Costs: \$15,656,564
Commercial Costs: \$ 1,493,418
Total Development Costs: \$17,149,982

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: 103 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$11,000,000 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	35
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	10
Community Revitalization Area	15	15	10
Site Amenities	10	10	10
Service Amenities	10	10	10
Sustainable Building Methods	8	8	3
New Construction	10	10	10
Negative Points	NA	NA	NA
Total Points	128	108	103

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.