

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**May 28, 2008**  
**Staff Report**  
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A***  
***QUALIFIED RESIDENTIAL RENTAL PROJECT***

*Prepared by John Weir*

---

**Applicant:** Community Redevelopment Agency of the City of Los Angeles

---

**Allocation Amount Requested:** Tax-exempt \$30,098,719

---

---

**Project Name:** Angelus Plaza North Apartments  
**Project Address:** 200 South Olive Street  
**Project City, County, Zip Code:** Los Angeles, Los Angeles, 90012

---

**Project Sponsor Information:**  
**Name:** Olive RHF Housing Partners, L.P.  
(RHF Bunker Hill)  
**Principals:** Laverne R. Joseph, President; Deborah J. Stouff,  
Secretary; Tom S. Masuda, Treasurer

---

**Project Financing Information:**  
**Bond Counsel:** Hawkins, Delafield & Wood LLP  
**Underwriter:** To Be Determined  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** U.S. Bank  
**TEFRA Hearing:** February, 22, 2008

---

**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 330, plus 2 manager units  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Senior

---

**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project: 100%**  
30% (99 units) restricted to 50% or less of area median income households; and  
70% (231 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1 bedroom

---

**Term of Restrictions:** 55 years

---

<b>Estimated Total Development Cost:</b>	\$	72,211,832
<b>Estimated Hard Costs per Unit:</b>	\$	33,452 (\$11,039,000/330 units)
<b>Estimated per Unit Cost:</b>	\$	218,824 (\$72,211,832/330 units)
<b>Allocation per Unit:</b>	\$	91,208 (\$30,098,719/330 units)
<b>Allocation per Restricted Rental Unit:</b>	\$	91,208 (\$30,098/330 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$30,098,719	\$29,355,137
Developer Equity	\$ 1,590	\$ 1,590
LIH Tax Credit Equity	\$ 3,974,305	\$15,897,220
Seller Loan	\$14,560,957	\$14,560,957
Debt Service Savings	\$ 2,508,355	\$ 2,508,355
Deferred Costs	\$11,179,333	\$ 0
Reserves	<u>\$ 9,888,573</u>	<u>\$ 9,888,573</u>
<b>Total Sources</b>	<b>\$72,211,832</b>	<b>\$72,211,832</b>

<b>Uses of Funds:</b>	
Land Purchase	\$48,100,000
On-Site & Off-Site Costs	\$ 1,162,000
Hard Construction Costs	\$ 9,877,000
Architect & Engineering Fees	\$ 662,340
Contractor Overhead & Profit	\$ 1,045,800
Developer Fee	\$ 2,500,000
Relocation	\$ 1,600,000
Cost of Issuance	\$ 456,197
Capitalized Interest	\$ 2,001,565
Other Soft Costs	<u>\$ 4,806,930</u>
<b>Total Uses</b>	<b>\$72,211,832</b>

The Project Sponsor has requested an exception to the \$30 million cap per project imposed by Section 17.IV of the CDLAC Procedures on the basis that (a) it would not be possible to meet the 50% TCAC test if the project was bifurcated, (b) likely erosion of favorable committed interest rates and tax-credit pricing, (c) the loss of bank loan approval if project were bifurcated, (d) large public benefits to the community as the seller of the project (Retirement Housing Foundation) will utilize the sales proceeds to directly re-invest into additional affordable units throughout Los Angeles and California (approximately \$58,000,000) per their agreement with CRA/LA. In addition the project has received letters of support from Los Angeles Mayor Antonio R.Villaraigosa and Los Angeles Councilwoman Jan Perry, both of whom attest that in addition to the reasons stated above, the project provides much needed subsidized housing and essential social services to seniors in Los Angeles as evident by the nearly 2,000 individuals [confirmed by independent market study] who are on the waiting list for the project. In accordance with Section 17.IV.B, the Executive Director is recommending that the Committee approve the exception as requested.

---

**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:** (65 out of 128)  
[See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$30,098,719 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	0
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	0
Site Amenities	10	10	10
Service Amenities	10	10	10
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	NA
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>65</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.