

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 23, 2009
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Crystal Alvarez

Applicant: City of Los Angeles

Allocation Amount Requested:
Tax-exempt: \$13,250,000

Project Information:
Name: Swansea Park Apartments
Project Address: 1015 N. Kingsley Drive
Project City, County, Zip Code: Los Angeles, Los Angeles, 90029

Project Sponsor Information:
Name: Swansea Park Senior Apartments, L.P. (Beyond Shelter Housing Development Corporation and APEC International, LLC)
Principals: Tanya Tull, Zoe Ellas and Eugene Kim

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Nara Bank
TEFRA Hearing Date: February 2, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 81, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Senior Citizens/Federally Assisted At-Risk

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (81 units) restricted to 50% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	19,587,583	
Estimated Hard Costs per Unit:	\$	25,269	(\$2,046,753 /81 units)
Estimated per Unit Cost:	\$	241,822	(\$19,587,583 /81 units)
Allocation per Unit:	\$	163,580	(\$13,250,000 /81 units)
Allocation per Restricted Rental Unit:	\$	163,580	(\$13,250,000 /81 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 13,250,000	\$ 6,088,265
Deferred Developer Fee	\$ 0	\$ 904,554
LIH Tax Credit Equity	\$ 1,330,429	\$ 4,434,764
Direct & Indirect Public Funds	\$ 3,600,000	\$ 8,160,000
Deferred Costs During Construction	\$ 1,407,154	\$ 0
Total Sources	\$ 19,587,583	\$ 19,587,583

Uses of Funds:	
Acquisition Costs	\$ 13,135,000
Rehabilitation Costs	\$ 2,333,298
Relocation	\$ 55,000
Architectural	\$ 40,000
Survey & Engineering	\$ 48,000
Contingency Costs	\$ 250,239
Construction Period Expenses	\$ 1,250,081
Permanent Financing Expenses	\$ 143,661
Legal Fees	\$ 110,000
Capitalized Reserves	\$ 885,853
Reports & Studies	\$ 37,500
Other (Marketing, etc)	\$ 126,951
Developer Costs	\$ 1,172,000
Total Uses	\$ 19,587,583

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: 90.5 out of 118

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$13,250,000 in tax exempt bond allocation on a carryforward basis.

The CDLAC bond issuance deadline shall be 1) the project specific California Tax Credit Allocation Committee closing deadline for January 27, 2010 TCAP/Exchange awards or 2) August 25, 2010 for those applicants unsuccessful in obtaining a TCAP/Exchange award on January 27, 2010.

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:	35	15	35
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	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	128	108	90.5

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.