

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: John Weir

Applicant: City of Los Angeles

Allocation Amount Requested:
Tax-exempt: \$14,400,000

Project Information:
Name: Dana Strand Senior Apartments
Project Address: 340 Hawaiian Ave.
Project City, County, Zip Code: Wilmington, Los Angeles, 90744

Project Sponsor Information:
Name: Dana Strand Senior Housing, L.P. (ROEM Development Corp. and Robert Emami)
Principals: Robert Emami, Jonathan Emami, Nadine Emami, Stephen Emami, and Michael Emami for ROEM Development Corp.

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Underwriter: Citi Community Capital
Credit Enhancement Provider: Citibank, N.A./Freddie Mac
Private Placement Purchaser: Not Applicable
TEFRA Hearing Date: July 2, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 99, plus 1 manager unit
Type: New Construction
Type of Units: Senior Citizens

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
10% (10 units) restricted to 50% or less of area median income households.
90% (89 units) restricted to 60% 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:	\$	23,692,884	
Estimated Hard Costs per Unit:	\$	125,344	(\$12,409,029 /99 units)
Estimated per Unit Cost:	\$	239,322	(\$23,692,884 /99 units)
Allocation per Unit:	\$	145,455	(\$14,400,000 /99 units)
Allocation per Restricted Rental Unit:	\$	145,455	(\$14,400,000 /99 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 14,400,000	\$ 9,465,000
Deferred Developer Fee	\$ 1,993,000	\$ 1,188,997
LIH Tax Credit Equity	\$ 1,538,911	\$ 7,276,176
Direct & Indirect Public Funds	\$ 4,261,914	\$ 4,756,914
Lease-up & Interest Income	\$ 839,059	\$ 1,005,797
Other	\$ 660,000	\$ 0
Total Sources	\$ 23,692,884	\$ 23,692,884

Uses of Funds:	
Acquisition Costs	\$ 500,000
New Construction Costs	\$ 14,305,293
Architectural	\$ 525,000
Survey & Engineering	\$ 265,000
Contingency Costs	\$ 866,437
Construction Period Expenses	\$ 2,741,865
Permanent Financing Expenses	\$ 294,153
Legal Fees	\$ 215,000
Capitalized Reserves	\$ 310,000
Reports & Studies	\$ 20,000
Other (Marketing, etc)	\$ 1,150,136
Developer Costs	\$ 2,500,000
Total Uses	\$ 23,692,884

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: 73 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$14,400,000 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	0
Exceeding Minimum Income Restrictions:	35	15	25
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Gross Rents	5	5	0
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	118	98	73

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.