

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 26, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Sarah Lester.

Applicant: Community Redevelopment Agency of the City of Los Angeles

Allocation Amount Requested: Tax-exempt \$25,000,000

Project Name: Van Nuys Apartments
Project Address: 210 West 7th Street
Project City, County, Zip Code: Los Angeles, Los Angeles, 10045

The proposed Project is located in a Community Revitalization Area, more specifically the City Center Redevelopment Project Area.

Project Sponsor Information:
Name: Van Nuys Preservation, LP (AIMCO Van Nuys, LLC and Foundation for Affordable Housing)
Principals: Jimmy Arnold, Tim Beaudin, Derik Hart, Michael Hornbrook, Don Maloy, Paul Patierno and David Robertson and Thomas E. Willard

Project Financing Information:
Bond Counsel: Squire, Sanders & Dempsey, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Merrill Lynch & Company
TEFRA Hearing: July 25, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 297, 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%
10% (31 units) restricted to 50% or less of area median income households; and
90% (266 units) restricted to 60% or less of area median income households.
Unit Mix: Studio, 1 and 2 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$41,989,699	
Estimated Hard Costs per Unit:	\$ 47,338	(\$14,059,450/297 units)
Estimated per Unit Cost:	\$ 141,378	(\$41,989,699/297 units)
Allocation per Unit:	\$ 84,175	(\$25,000,000/297 units)
Allocation per Restricted Rental Unit:	\$ 84,175	(\$25,000,000/297 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$25,000,000	\$16,500,000
Developer Equity	\$ 2,500,000	\$ 2,396,782
LIH Tax Credit Equity	\$11,545,042	\$16,492,917
Other (GP-Cash flow loan)	<u>\$ 2,944,657</u>	<u>\$ 6,600,000</u>
Total Sources	\$41,989,699	\$41,989,699

Uses of Funds:	
Acquisition Cost	\$20,000,000
On-Site & Off-Site Costs	\$ 25,875
Hard Construction Costs	\$14,033,575
Architect & Engineering Fees	\$ 633,302
Contractor Overhead & Profit	\$ 1,013,707
Developer Fee	\$ 2,500,000
Relocation	\$ 448,500
Cost of Issuance	\$ 225,361
Capitalized Interest	\$ 150,000
Other Soft Costs	<u>\$ 2,959,379</u>
Total Uses	\$41,989,699

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 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$25,000,000 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	25
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	0
Community Revitalization Area	15	15	15
Site Amenities	10	10	10
Service Amenities	10	10	5
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	128	108	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.