

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 16, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Crystal Alvarez.

Applicant: Community Redevelopment Agency of Los Angeles

Allocation Amount Requested: Tax-exempt \$13,500,000

Project Name: **Hollywood Bungalow Courts Apartments**
Project Address: 1721 N. Kingsley Avenue, 1554 N. Serrano Avenue,
1544 N. Serrano Avenue, 1615 N. Serrano Avenue
Project City, County, Zip Code: Hollywood, Los Angeles, 90027

The proposed Projects are located in Community Revitalization areas, more specifically in the Hollywood Redevelopment Project Area and the East Hollywood Earthquake Disaster Assistance Project Area.

Project Sponsor Information:
Name: Hollywood Community Housing Corporation
Principals: William Harris

Project Financing Information:
Bond Counsel: Sidley Austin, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citicorp Municipal Mortgage Inc.
TEFRA Hearing: April 23, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 41, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family / Special Needs

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
78% (32 units) restricted to 50% or less of area median income households; and
22% (9 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:	\$21,999,257
Estimated Hard Costs per Unit:	\$ 134,521 (\$5,515,363/41 units)
Estimated per Unit Cost:	\$ 536,567 (\$21,999,257/41 units)
Allocation per Unit:	\$ 329,268 (\$13,500,000/41 units)
Allocation per Restricted Rental Unit:	\$ 329,268 (\$13,500,000/41 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$13,500,000	\$ 448,610
LIH Tax Credit Equity	\$ 546,869	\$ 5,838,429
Deferred Developer Fee	\$ 1,278,888	\$ 730,668
CRA of Los Angeles	\$ 6,673,500	\$ 7,500,000
Direct & Indirect Public Funds	<u>\$ 0</u>	<u>\$ 7,481,550</u>
Total Sources	\$21,999,257	\$21,999,257

Uses of Funds:	
Acquisition	\$ 8,192,000
Relocation	\$ 600,000
Rehabilitation	\$ 6,879,370
Architectural	\$ 555,575
Survey & Engineering	\$ 26,300
Contingency Costs	\$ 1,463,177
Construction Period Expenses	\$ 1,903,765
Permanent Financing Expenses	\$ 15,000
Legal Fees	\$ 165,000
Capitalized Reserves	\$ 88,000
Reports & Studies	\$ 96,000
Developer Costs	\$ 1,522,668
Other	<u>\$ 492,402</u>
Total Uses	\$21,999,257

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: 100.5 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$13,500,000 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
Exceeding Minimum Term of Restrictions	10	10	10
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	10
Site Amenities	10	10	7.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	128	108	100.5

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.