

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 24, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: City of Los Angeles

Allocation Amount Requested: **Tax-exempt:** \$5,000,000

Project Information:

Name: Academy Hall Apartments
Project Address: 12010 South Vermont Avenue
Project City, County, Zip Code: Los Angeles, Los Angeles, 90044

Project Sponsor Information:

Name: Academy Hall, L.P. (Danberg Development and Beyond Shelter Housing Development Corporation)
Principals: Daniel C. Hunter and Stephen Overson for Danberg Development and Tanya Tull, Sylvia Ruiz and Zoe Ellas for Beyond Shelter Housing Development Corporation

Project Financing Information:

Bond Counsel: Kutak Rock LLP
Underwriter: Not Applicable
Private Placement Purchaser: Bank of America, N.A.
TEFRA Hearing: November 30, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 45, plus 1 manager's unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
33% (15 units) restricted to 50% or less of area median income households.
67% (30 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3, bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$9,327,859	
Estimated Hard Costs per Unit:	\$30,215	(\$1,359,690 / 45 units)
Estimated per Unit Cost:	\$207,286	(\$9,327,859 / 45 units)
Allocation per Unit:	\$111,111	(\$5,000,000 / 45 units)
Allocation per Restricted Rental Unit:	\$111,111	(\$5,000,000 / 45 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 5,000,000	\$ 2,995,000
Taxable Bond Proceeds	\$ 0	\$ 0
Deferred Developer Fee	\$ 0	\$ 308,056
LIH Tax Credit Equity	\$ 200,000	\$ 2,464,760
Direct & Indirect Public Funds	\$ 3,421,124	\$ 3,421,124
Other Seller Loan	\$ 706,735	\$ 138,919
Total Sources	\$ 9,327,859	\$ 9,327,859

Uses of Funds:	
Acquisition Costs	\$ 6,200,000
On & Off Site Costs	\$ 42,500
Hard Construction Costs	\$ 1,317,190
Architect & Engineering Fees	\$ 55,000
Contractor Overhead & Profit	\$ 99,220
Developer Fee	\$ 545,012
Cost of Issuance	\$ 240,000
Capitalized Interest	\$ 190,000
Other Soft Costs	\$ 638,937
Total Uses	\$ 9,327,859

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 138

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$5,000,000 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	35	15	35
Mixed Income Project			
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
Exceeding Minimum Term of Restrictions	10	10	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
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	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.