

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 28, 2010
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Sarah Lester

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$65,682,000

Project Information:
Name: Movietown Plaza Apartments
Project Address: 7300-7328 Monica Boulevard
Project City, County, Zip Code: West Hollywood, Los Angeles, 90046

Project Sponsor Information:
Name: Casden Movietown LLC (Casden Properties LLC)
Principals: Alan I. Casden, Robert J Hilderbrand, Andrew J. Starrels and Daniel J. Hubbard

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Underwriter: Stone & Youngberg
Credit Enhancement Provider: HSBC Bank USA, National Association
Private Placement Purchaser: Not Applicable
TEFRA Hearing Date: June 21, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 131, plus 2 manager units
Type: New Construction
Type of Units: Senior Citizens

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 58%
29% (38 units) restricted to 50% or less of area median income households.
29% (38 units) restricted to 60% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 73,792,000	
Estimated Hard Costs per Unit:	\$ 186,565	(\$24,440,000 /131 units)
Estimated per Unit Cost:	\$ 563,298	(\$73,792,000 /131 units)
Allocation per Unit:	\$ 501,389	(\$65,682,000 /131 units)
Allocation per Restricted Rental Unit:	\$ 864,237	(\$65,682,000 /76 restricted units)

The Project has total project costs that appear high for the geographic area in which it is located. According to the Project sponsor, the high cost is due to

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 65,682,000	\$ 65,682,000
Developer Equity	\$ 8,110,000	\$ 8,110,000
Total Sources	\$ 73,792,000	\$ 73,792,000
Uses of Funds:		
Land Purchase	\$ 25,000,000	
On & Off Site Costs	\$ 3,353,000	
Hard Construction Costs	\$ 21,087,000	
Architect & Engineering Fees	\$ 1,971,000	
Contractor Overhead & Profit	\$ 2,406,000	
Developer Fee	\$ 1,411,000	
Cost of Issuance	\$ 2,625,000	
Capitalized Interest	\$ 6,696,000	
Other Soft Costs	\$ 9,243,000	
Total Uses	\$ 73,792,000	

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: 74 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$65,682,000 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:	35	15	26
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	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	74

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.