

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 26, 2011
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: \$21,750,000

Project Information:
Name: 5555 Hollywood Apartments
Project Address: 5555 Hollywood Blvd.
Project City, County, Zip Code: Los Angeles, Los Angeles, 90028

Project Sponsor Information:
Name: 5555 Hollywood LP (Western Community Housing, Inc., 5555 Hollywood, LLC, and John M. Huskey)
Principals: Graham Espley-Jones, Sandra Gibbons, David Connelly, and Leanne Truofreh for Western Community Housing, Inc., John M. Huskey, Kasey Burke, George Russo, and Rutzel Castillo for 5555 Hollywood, LLC

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citibank, N.A.
TEFRA Hearing Date: December 17, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 119, 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%
100% (119 units) restricted to 50% or less of area median income households.
 (0 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:	\$ 41,346,239	
Estimated Hard Costs per Unit:	\$ 183,380	(\$21,822,263 /119 units)
Estimated per Unit Cost:	\$ 347,447	(\$41,346,239 /119 units)
Allocation per Unit:	\$ 182,773	(\$21,750,000 /119 units)
Allocation per Restricted Rental Unit:	\$ 182,773	(\$21,750,000 /119 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 21,750,000	\$ 4,620,000
Deferred Developer Fee	\$ 1,398,923	\$ 1,100,000
LIH Tax Credit Equity	\$ 3,612,396	\$ 12,041,319
Direct & Indirect Public Funds	\$ 14,584,920	\$ 23,584,920
Total Sources	\$ 41,346,239	\$ 41,346,239

Uses of Funds:	
Land Purchase	\$ 8,706,063
On & Off Site Costs	\$ 904,500
Hard Construction Costs	\$ 20,917,763
Architect & Engineering Fees	\$ 1,250,000
Contractor Overhead & Profit	\$ 2,851,918
Developer Fee	\$ 2,500,000
Relocation	\$ 388,465
Cost of Issuance	\$ 1,272,375
Capitalized Interest	\$ 2,555,155
Total Uses	\$ 41,346,239

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: 108 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$21,750,000 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	35
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	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	10
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	108

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.