

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: \$18,000,000

Project Information:
Name: Del Rey Square Senior Housing Apartments
Project Address: 11976 W. Culver Blvd.
Project City, County, Zip Code: Los Angeles, Los Angeles, 90230

Project Sponsor Information:
Name: Del Rey Square Limited Partnership (Del Rey Square LLC, and La Cienga LOMOD, Inc.)
Principals: Thomas Safran, sole member of Del Rey Square LLC, and Tina Booth, David Esparza and Nancy Wesoff for La Cienga LOMOD, Inc.

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: Citibank, N.A.
TEFRA Hearing Date: December 17, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 123, 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% (123 units) restricted to 50% or less of area median income households.
Unit Mix: Studio & 1 bedroom

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	33,810,480
Estimated Hard Costs per Unit:	\$	125,367 (\$15,420,169 /123 units)
Estimated per Unit Cost:	\$	274,882 (\$33,810,480 /123 units)
Allocation per Unit:	\$	146,341 (\$18,000,000 /123 units)
Allocation per Restricted Rental Unit:	\$	146,341 (\$18,000,000 /123 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 18,000,000	\$ 8,228,854
Deferred Developer Fee	\$ 1,553,069	\$ 1,416,372
LIH Tax Credit Equity	\$ 878,649	\$ 8,786,492
Direct & Indirect Public Funds	\$ 13,378,762	\$ 14,378,762
AHP	\$ 0	\$ 1,000,000
Total Sources	\$ 33,810,480	\$ 33,810,480

Uses of Funds:	
Land Purchase	\$ 10,050,000
On & Off Site Costs	\$ 844,000
Hard Construction Costs	\$ 14,576,169
Architect & Engineering Fees	\$ 965,785
Contractor Overhead & Profit	\$ 949,060
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 319,341
Capitalized Interest	\$ 1,828,060
Other Soft Costs	\$ 1,778,065
Total Uses	\$ 33,810,480

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: 90.5 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$18,000,000 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:	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	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	118	98	90.5

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.