

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**September 28, 2011**  
**Staff Report**  
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A***  
***QUALIFIED RESIDENTIAL RENTAL PROJECT***

*Prepared by: Richard Fischer*

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**Applicant:** Housing Authority of the County of Los Angeles

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**Allocation Amount Requested:**  
**Tax-exempt:** \$4,400,000

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**Project Information:**  
**Name:** Mid Celis Apartments  
**Project Address:** 1422 San Fernando Road & 551 S. Kalisher Street  
**Project City, County, Zip Code:** San Fernando, Los Angeles, 91340

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**Project Sponsor Information:**  
**Name:** Mid Celis Apartments, L.P. (Los Angeles Housing Partnership, Inc.)  
**Principals:** Mary Silverstein, Stephen Clarke and Ryan E. Mendoza for Los Angeles Housing Partnership, Inc.  
**Property Management Company:** Community Housing Management Services

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**Project Financing Information:**  
**Bond Counsel:** Kutak Rock LLP  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Wells Fargo Bank, N.A. for construction and California Community Reinvestment Corporation for permanent  
**TEFRA Hearing Date:** July 5, 2011

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 19, plus 0 manager units  
**Type:** New Construction  
**Type of Units:** Family/Special Needs

The proposed Project features 19 units of special needs housing for transitional aged youth in a three -story , low rise, "green" building. An additional smaller lot will be used for passive open space. Set on a urban infill lot, this silver LEED certificate building is to blend into the current neighborhood with a nearby library, park, work support services and mental health center.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
100% (19 units) restricted to 50% or less of area median income households.  
**Unit Mix:** 1, 2 & 3 bedrooms

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 8,180,180	
<b>Estimated Hard Costs per Unit:</b>	\$ 227,722	(\$4,326,717 /19 units)
<b>Estimated per Unit Cost:</b>	\$ 430,536	(\$8,180,180 /19 units)
<b>Allocation per Unit:</b>	\$ 231,579	(\$4,400,000 /19 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 231,579	(\$4,400,000 /19 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 location being an urban infill lot which typically incur higher per square foot costs.

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 4,400,000	\$ 1,150,000
LIH Tax Credit Equity	\$ 609,036	\$ 3,045,180
Direct & Indirect Public Funds	\$ 2,160,000	\$ 3,985,000
Other (deferred costs)	\$ 1,011,144	\$ 0
<b>Total Sources</b>	<b>\$ 8,180,180</b>	<b>\$ 8,180,180</b>
<b>Uses of Funds:</b>		
Land Purchase	\$ 990	
On & Off Site Costs	\$ 52,000	
Hard Construction Costs	\$ 4,274,717	
Architect & Engineering Fees	\$ 438,157	
Contractor Overhead & Profit	\$ 259,603	
Developer Fee	\$ 1,148,258	
Cost of Issuance	\$ 303,405	
Capitalized Interest	\$ 170,170	
Other Soft Costs (Marketing, etc.)	\$ 1,532,880	
<b>Total Uses</b>	<b>\$ 8,180,180</b>	

**Description of Financial Structure and Bond Issuance:**

Bond transaction is a private placement, with Well Fargo Bank as the the construction lender with a rate of 3.50 %, permanent lender is California Community Reinvestment Corporation with a current indicative rate of 6.10%.

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**Analyst Comments:**

Not Applicable

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**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.

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**Total Points:**

82.5 out of 118

[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$4,400,000 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	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
<b>Total Points</b>	<b>118</b>	<b>98</b>	<b>82.5</b>

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.