

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 18, 2012
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: \$11,831,301

Project Information:
Name: Vista Angelina Family Apartments
Project Address: 418 North East Edgeware Road
Project City, County, Zip Code: Los Angeles, Los Angeles, 90026

Project Sponsor Information:
Name: Vista Angelina Housing partners, L.P. a California limited partnership (Daniel J. Neimann, Inc., The Related Companies of California and Vista Angelina HP, MGP, LLC)
Principals: Daniel J. Neimann for Daniel J. Neimann, Inc.; William A. Witte for The Related Companies of California and Jonathan B. Webb for Vista Angelina HP, MGP, LLC
Property Management Company: Related Management Company

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Union Bank, N.A.
TEFRA Hearing Date: November 4, 2011

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 106, plus 2 manager units
Type: Acquisition and Rehabilitation
Type of Units: Family

There are 108 family apartments at Vista Angelina. The units are configured as 1, 2, 3 and 4 bedroom apartments. Each unit above the first floor has elevator access located in 2 separate locations. Built on a two-story podium parking structure, the project has ample parking for the project residence. Amenities include a laundry facility near the entrance of the project.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (106 units) restricted to 50% or less of area median income households.
Unit Mix: 1, 2, 3 & 4 bedrooms

After school programs and bona fide service coordinator will be included as service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	23,546,948	
Estimated Hard Costs per Unit:	\$	45,515	(\$4,824,572 /106 units)
Estimated per Unit Cost:	\$	222,141	(\$23,546,948 /106 units)
Allocation per Unit:	\$	111,616	(\$11,831,301 /106 units)
Allocation per Restricted Rental Unit:	\$	111,616	(\$11,831,301 /106 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 11,831,301	\$ 6,059,000
Developer Equity	\$ 1,763,000	\$ 1,100,000
LIH Tax Credit Equity	\$ 715,033	\$ 7,150,335
Direct & Indirect Public Funds	\$ 8,925,000	\$ 8,925,000
Other (NOI-6 months)	\$ 312,614	\$ 312,613
Total Sources	\$ 23,546,948	\$ 23,546,948

Uses of Funds:	
Acquisition Cost	\$ 13,566,822
On & Off Site Costs	\$ 589,726
Hard Construction Costs	\$ 4,234,846
Architect & Engineering Fees	\$ 150,000
Contractor Overhead & Profit	\$ 675,440
Developer Fee	\$ 2,500,000
Relocation	\$ 108,000
Cost of Issuance	\$ 300,000
Other Soft Costs (Marketing, etc.)	\$ 1,422,114
Total Uses	\$ 23,546,948

Description of Financial Structure and Bond Issuance:

This is a private placement bond transaction with the bonds being purchased by Union Bank, N.A. The Tranche "A" construction portion is for \$11,831,301. The Tranche "B" permanent portion is for \$6,059,000. The interest rates are payable in arrears at 65% of the 30 day LIBOR rate plus 200 basis points. The permanent loan interest rate will be determined at the close of the construction loan. The lender has provided 3 options for the partnership to consider. Interest rate at the swap option will be calculated on the unhedged portion of the construction loan balance. The term for the construction loan is 18 months and 15 years for the permanent with a 30 year amortization.

Analyst Comments:

Not Applicable

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: 70 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$11,831,301 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	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	0
Negative Points	-10	-10	0
Total Points	118	98	70

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.