

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**May 16, 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:** \$468,699

The amount of allocation requested is supplemental to the \$11,831,301 of allocation the Project received on January 18, 2012.

---

**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  
**Underwriter:** Not Applicable  
**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:**

|   |    |   |
|---|----|---|
| <b>Estimated Total Development Cost:</b>      | \$ |   |
| <b>Estimated Hard Costs per Unit:</b>         | \$ | 0 /106 units)                             |
| <b>Estimated per Unit Cost:</b>               | \$ | 0 (\$0,000,000 /106 units)                |
| <b>Allocation per Unit:</b>                   | \$ | 4,422 (\$0,468,699 /106 units)            |
| <b>Allocation per Restricted Rental Unit:</b> | \$ | 4,422 (\$0,468,699 /106 restricted units) |

| <b>Sources of Funds:</b>       | Construction         | Permanent            |
|--------------------------------|----------------------|----------------------|
| Tax-Exempt Bond Proceeds       | \$ 12,300,000        | \$ 6,227,000         |
| Reserves                       | \$ 508,365           | \$ 0                 |
| Deferred Developer Fee         | \$ 1,800,000         | \$ 1,100,000         |
| LIH Tax Credit Equity          | \$ 1,182,258         | \$ 8,463,622         |
| Direct & Indirect Public Funds | \$ 8,725,000         | \$ 8,725,000         |
| Other (NOI-6 months)           | \$ 368,812           | \$ 368,813           |
| <b>Total Sources</b>           | <b>\$ 24,884,435</b> | <b>\$ 24,884,435</b> |

| <b>Uses of Funds:</b>              |                      |
|------------------------------------|----------------------|
| Land Purchase                      | \$ 13,566,822        |
| On & Off Site Costs                | \$ 1,000,000         |
| Hard Construction Costs            | \$ 5,468,482         |
| Architect & Engineering Fees       | \$ 125,570           |
| Contractor Overhead & Profit       | \$ 431,518           |
| Developer Fee                      | \$ 2,500,000         |
| Cost of Issuance                   | \$ 350,000           |
| Other Soft Costs (Marketing, etc.) | \$ 1,442,043         |
| <b>Total Uses</b>                  | <b>\$ 24,884,435</b> |

**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.

---

**Recommendation:**

Staff recommends that the Committee approve \$468,699 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   |               |
| Exceeding Minimum Income Restrictions:  | 35   | 15   |               |
| Exceeding Minimum Rent Restrictions<br>[Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project] | [10]   | [10]   |               |
| Gross Rents   | 5  | 5  |               |
| Large Family Units  | 5  | 5  |               |
| Leveraging  | 10   | 10   |               |
| Community Revitalization Area   | 15   | 15   |               |
| Site Amenities  | 10   | 10   |               |
| Service Amenities   | 10   | 10   |               |
| New Construction  | 10   | 10   |               |
| Sustainable Building Methods  | 10   | 10   |               |
| Negative Points   | -10  | -10  |               |
| <b>Total Points</b>   | <b>120</b>   | <b>100</b>                                       | <b>0</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.