

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 26, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Crystal Alvarez.

Applicant: City of Los Angeles Housing Department

Allocation Amount Requested: Tax-exempt \$13,951,236

Project Name: MacArthur Park Tower Apartments
Project Address: 450 Grand View Street
Project City, County, Zip Code: Los Angeles, Los Angeles, 90057

The proposed project is located in the Community Revitalization area more specifically the Madera Redevelopment Project Area.

Project Sponsor Information:

Name: Grand View RHF Partners, L.P. (MacArthur Park Towers)
Principals: John E. Trnka, Donald W. King, Laverne R. Joseph, John von Rusten, Deborah J. Stouff, Tom S. Massuda

Project Financing Information:

Bond Counsel: Kutack Rock, Limited, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: US Bank
TEFRA Hearing: August 10, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 182, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Senior

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
30% (55 units) restricted to 50% or less of area median income households; and
70% (127 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$ 29,362,911
Estimated Hard Costs per Unit:	\$ 40,760 (\$7,418,477/182 units)
Estimated per Unit Cost:	\$ 161,335 (\$29,362,911/182 units)
Allocation per Unit:	\$ 76,655 (\$13,951,236/182 units)
Allocation per Restricted Rental Unit:	\$ 76,655 (\$13,951,236/182 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$13,951,236	\$ 7,387,654
Taxable Bond Proceeds	\$ 0	\$ 1,720,698
Developer Equity	\$ 761	\$ 761
Deferred Developer Fee	\$11,350,000	\$11,350,000
LIH Tax Credit Equity	\$ 2,015,750	\$ 8,063,000
Reserve	\$ 839,128	\$ 839,128
Other	<u>\$ 1,206,036</u>	<u>\$ 1,670</u>
Total Sources	\$29,362,911	\$29,362,911

Uses of Funds:	
Land Purchase	\$14,350,000
On-Site & Off-Site Costs	\$ 200,499
Hard Construction Costs	\$ 7,217,978
Architect & Engineering Fees	\$ 282,500
Contractor Overhead & Profit	\$ 1,002,496
Developer Fee	\$ 2,226,855
Relocation	\$ 770,834
Cost of Issuance	\$ 145,756
Capitalized Interest	\$ 651,784
Other Soft Costs	<u>\$ 2,514,209</u>
Total Uses	\$29,362,911

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: 75 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$13,951,236 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: Non-Mixed Income Project Mixed Income Project	35	15	35
Gross Rents	5	5	5
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	15	15	10
Site Amenities	10	10	10
Service Amenities	10	10	5
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	128	108	75

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.