

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 Walter Akiyama.

Applicant: City of Los Angeles

Allocation Amount Requested: Tax-exempt \$13,204,263

Project Name: Harbor Tower Apartments
Project Address: 340 South Mesa Street
Project City, County, Zip Code: San Pedro, Los Angeles, 90731

[The proposed Project is located in a Community Revitalization area, more specifically in the City of San Pedro's Beacon Street Redevelopment Project Area.]

Project Sponsor Information:
Name: Mesa RHF Partners, L.P.
(Harbor Tower and Retirement Housing Foundation)
Principals: Rev. Oliver E. Buie, John von Rusten,
Deborah J. Stoff, Tom S. Masuda and Laverne Joseph

Project Financing Information:
Bond Counsel: Kutak Rock, LLP
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: US Bank
TEFRA Hearing: July 3, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 178, plus 2 manager units
Type: Acquisition and Rehabilitation
Type of Units: Senior

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
30% (54 units) restricted to 50% or less of area median income households; and
70% (124 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$28,064,434
Estimated Hard Costs per Unit:	\$ 39,333 (\$7,001,325/178 units)
Estimated per Unit Cost:	\$ 157,665 (\$28,064,434/178 units)
Allocation per Unit:	\$ 74,181 (\$13,204,263/178 units)
Allocation per Restricted Rental Unit:	\$ 74,181 (\$13,204,263/178 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 13,204,263	\$ 6,941,082
Taxable Bond Proceeds	\$ 0	\$ 1,613,876
GP Equity	\$ 718	\$ 718
Seller Note	\$10,940,000	\$10,940,000
LIH Tax Credit Equity	\$ 1,897,250	\$ 7,589,000
Other	\$ 723,944	\$ 723,944
Deferred Costs	\$ 1,298,259	\$ 0
Other	<u>\$ 0</u>	<u>\$ 255,814</u>
Total Sources	\$28,064,434	\$28,064,434

Uses of Funds:	
Acquisition Cost	\$ 13,740,000
On-Site & Off-Site Costs	\$ 189,225
Hard Construction Costs	\$ 6,812,100
Architect & Engineering Fees	\$ 267,500
Contractor Overhead & Profit	\$ 946,125
Developer Fee	\$ 2,266,537
Relocation	\$ 670,788
Cost of Issuance	\$ 264,797
Capitalized Interest	\$ 616,887
Other Soft Costs	<u>\$ 2,290,475</u>
Total Uses	\$ 28,064,434

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: 63.2 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$13,204,263 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]	0
Large Family Units	5	5	0
Leveraging	10	10	3.2
Community Revitalization Area	15	15	5
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	63.2

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.