

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
March 21, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Brady Hill.

Applicant: Community Redevelopment Agency of the City of Los Angeles

Allocation Amount Requested: Tax-exempt \$2,400,000

Project Name: **Central Avenue Villas Apartments**
Project Address: 4051 South Central Avenue
Project City, County, Zip Code: Los Angeles, Los Angeles, 90011

The proposed Project is located in a Community Revitalization Area, more specifically the Council District Nine Corridors South of the Santa Monica Freeway Recovery Redevelopment Project Area.

Project Sponsor Information:

Name: 1010 Central Avenue Villa, L.P.
(1010 Central Avenue Villas, LLC)
Principals: DarEll T. Weist for 1010 Central Avenue Villas, LLC

Project Financing Information:

Bond Counsel: Sidley Austin LLP
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: U.S. Bank National Association
TEFRA Hearing: September 12, 2006

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 19, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
47% (9 units) restricted to 50% or less of area median income households; and
53% (10 units) restricted to 60% or less of area median income households.
Unit Mix: 2 and 3 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$4,887,853
Estimated Hard Costs per Unit:	\$ 32,947 (\$626,000/19 units)
Estimated per Unit Cost:	\$ 257,255 (\$4,887,854/19 units)
Allocation per Unit:	\$ 126,316 (\$2,400,000/19 units)
Allocation per Restricted Rental Unit:	\$ 126,316 (\$2,400,000/19 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$2,400,000	\$ 413,500
Deferred Developer Fee	\$ 89,938	\$ 0
LIH Tax Credit Equity	\$ 320,132	\$1,280,528
Deferred Expenses	\$ 59,999	\$ 0
Direct & Indirect Public Funds	<u>\$2,017,784</u>	<u>\$3,193,825</u>
Total Sources	\$4,887,853	\$4,887,853

Uses of Funds:	
Acquisition Cost	\$2,838,353
On-Site & Off-Site Costs	\$ 65,000
Hard Construction Costs	\$ 561,000
Architect & Engineering Fees	\$ 43,000
Contractor Overhead & Profit	\$ 72,000
Developer Fee	\$ 311,875
Relocation	\$ 25,000
Cost of Issuance	\$ 149,245
Capitalized Interest	\$ 117,120
Other Soft Costs	<u>\$ 705,260</u>
Total Uses	\$4,887,853

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: 90 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$2,400,000 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: 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	5
Leveraging	10	10	10
Community Revitalization Area	15	15	15
Site Amenities	10	10	10
Service Amenities	10	10	0
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	NA
Total Points	128	108	90

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.