

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 Richard Fischer.

Applicant: City of Los Angeles

Allocation Amount Requested: Tax-exempt \$15,181,000

Project Name: Mariposa Place Apartments
Project Address: 5030 West Santa Monica Boulevard
Project City, County, Zip Code: Los Angeles, Los Angeles, 90029

Project Sponsor Information:
Name: Hollywood Community Housing Corporation
Principals: William F. Harris, Maura Johnson, Kyle Arndt,
Karen Diehl, and Mark Brown

Project Financing Information:
Bond Counsel: Kutak Rock, P.A.
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Bank of America
TEFRA Hearing: April 5, 2006

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 57, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (57 units) restricted to 50% or less of area median income households.
Unit Mix: 1, 2, 3, and 4-bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$25,392,550
Estimated Hard Costs per Unit:	\$ 258,207 (\$14,717,784/57 units)
Estimated per Unit Cost:	\$ 445,483 (\$25,392,550/57 units)
Allocation per Unit:	\$ 266,333 (\$15,181,000/57 units)
Allocation per Restricted Rental Unit:	\$ 266,333 (\$15,181,000/57restricted units)

The Project has total project costs that appear high for the geographic area in which it is located. According to the Project Sponsor, this urban infill site has high cost is due to, commercial space on ground floor required store front design, two levels of subterranean parking, large bedroom sizes, installation of energy efficient air conditioning & insulation, higher costs spread over fewer units, escalating construction labor costs due to prevailing wage.

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$15,181,000	\$ 1,530 000
Developer Equity	\$ 1,281,041	\$ 1,281,041
Deferred Developer Fee	\$ 1,365,119	\$ 677,574
LIH Tax Credit Equity	\$ 2,700,000	\$11,267,707
Direct & Indirect Public Funds	<u>\$ 4,865,390</u>	<u>\$10,636,228</u>
Total Sources	<u>\$25,392,550</u>	<u>\$25,392,550</u>

Uses of Funds:	
Land Purchase	\$ 1,733,390
On-Site & Off-Site Costs	\$ 149,903
Hard Construction Costs	\$14,567,881
Architect & Engineering Fees	\$ 663,000
Contractor Overhead & Profit	\$ 1,616,959
Developer Fee	\$ 2,481,041
Cost of Issuance	\$ 262,058
Capitalized Interest	\$ 1,505,400
Other Soft Costs	<u>\$ 2,412,918</u>
Total Uses	<u>\$25,392,550</u>

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: 98 out of 128
[See Attachment #A]

Recommendation:

Staff recommends that the Committee approve \$15,181,000 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	NA
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	0
Site Amenities	10	10	10
Service Amenities	10	10	10
Sustainable Building Methods	8	8	3
New Construction	10	10	10
Negative Points	NA	NA	NA
Total Points	128	108	98

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.