

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 25, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Crystal Alvarez.

Applicant: Community Redevelopment Agency of the City of Los Angeles

Allocation Amount Requested: Tax-exempt \$1,000,000

[The amount of allocation requested is supplemental to the \$9,990,000 of allocation the Project received in May 2007. According to the Project Sponsor, additional allocation is needed, because of significant cost increase due to the finding of major mold in 22 units.]

Project Name: Westminster Park Plaza Apartments
Project Address: 9300 Maie Avenue
Project City, County, Zip Code: Los Angeles, Los Angeles, 90002

Project Sponsor Information:
Name: Westminster Plaza II, LP (Housing & Community Synergy, Inc. and Valued Housing III, LLC)
Principals: Marion J. Woods, Price Cobbs and Peter Barker

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe, LLP
Underwriter: Not Applicable
Private Placement Purchaser: Centerline Capital Group
TEFRA Hearing: March 21, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 129, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 78%
20% (26 units) restricted to 50% or less of area median income households; and
57% (74 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2, 3, 4 and 5 bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$22,8367,733
Estimated Hard Costs per Unit:	\$ 27,886 (\$3,597,405/129 units)
Estimated per Unit Cost:	\$ 171,269 (\$22,867,733/129 units)
Allocation per Unit:	\$ 85,193 (\$10,990,000/129 units)
Allocation per Restricted Rental Unit:	\$ 109,900 (\$10,990,000/100 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$10,990,000	\$ 9,990,000
Deferred Developer Fee	\$ 968,991	\$ 755,901
LIH Tax Credit Equity	\$ 4,178,742	\$ 3,626,382
Direct & Indirect Public Funds	\$ 6,430,000	\$ 6,430,000
Other	<u>\$ 300,000</u>	<u>\$ 300,000</u>
Total Sources	\$22,867,733	\$22,867,733

Uses of Funds:	
Acquisition Cost	\$14,070,228
Hard Construction Costs	\$ 3,597,405
Architect & Engineering Fees	\$ 105,000
Contractor Overhead & Profit	\$ 790,710
Developer Fee	\$ 2,355,504
Relocation	\$ 130,000
Cost of Issuance	\$ 445,130
Capitalized Interest	\$ 737,246
Other Soft Costs	<u>\$ 636,513</u>
Total Uses	\$22,867,733

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: 68.8 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$1,000,000 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	26
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]	4.3
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	1
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	128	108	68.8

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.