

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 23, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Richard C. Fischer.

Applicant: City of Los Angeles

Allocation Amount Requested: Tax-exempt \$11,700,000

Project Name: Charles Cobb Apartments
Project Address: 521 S. San Pedro Street
Project City, County, Zip Code: Los Angeles, Los Angeles, 90013

The proposed Project is located in a Community Revitalization Area, more specifically the Los Angeles City Center Redevelopment Project Area.

Project Sponsor Information:
Name: Charles Cobb Apartments, L.P. (Skid Row Housing Trust and SRHT Property Management Company)
Principals: Mike Alvidrez, Christian Ahumada, Monica Tien, Jo-Anne Chohen, Margot Hall, Natlie Baker for SRHT; Andre Thomas, Cindy Smith, Craig Fenner, Admas Kanyagia, Natalie Baker, Rebecca Reusch for SRHT Management Company

Project Financing Information:
Bond Counsel: Kutak Rock, LLP
Underwriter: Not applicable
Private Placement Purchaser: Citibank Municipal Mortgage Inc.
TEFRA Hearing: January 2, 2008

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 74, plus 2 manager units
Type: New Construction
Type of Units: Family, Special Needs

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (74 units) restricted to 50% or less of area median income households.
Unit Mix: Studio

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$20,058,548
Estimated Hard Costs per Unit:	\$ 144,897 (\$10,722,342/74 units)
Estimated per Unit Cost:	\$ 271,061 (\$20,058,548/74 units)
Allocation per Unit:	\$ 158,108 (\$11,700,000/74 units)
Allocation per Restricted Rental Unit:	\$ 158,108 (\$11,700,000/74 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$11,700,000	\$ 184,000
Developer Equity	\$ 1,039,400	\$ 1,039,400
Deferred Developer Fee	\$ 180,000	\$ 180,000
LIH Tax Credit Equity	\$ 1,603,000	\$ 7,927,000
Direct & Indirect Public Funds	\$ 4,772,148	\$10,105,848
Other	<u>\$ 764,000</u>	<u>\$ 622,300</u>
Total Sources	\$20,058,548	\$20,058,548

Uses of Funds:	
Land Purchase	\$ 1,750,000
On-Site & Off-Site Costs	\$ 393,804
Hard Construction Costs	\$10,328,538
Architect & Engineering Fees	\$ 367,500
Contractor Overhead & Profit	\$ 671,462
Developer Fee	\$ 2,239,400
Cost of Issuance	\$ 251,495
Capitalized Interest	\$ 1,201,240
Other Soft Costs	<u>\$ 2,855,109</u>
Total Uses	\$20,058,548

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: 80 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$11,700,000 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]	0
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	10
Site Amenities	10	10	10
Service Amenities	10	10	0
Sustainable Building Methods	8	8	0
New Construction	10	10	10
Negative Points	NA	NA	0
Total Points	128	108	80

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.