

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**March 26, 2008**  
**Staff Report**  
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A***  
***QUALIFIED RESIDENTIAL RENTAL PROJECT***

*Prepared by Richard C. Fischer.*

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**Applicant:** City of Los Angeles

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**Allocation Amount Requested:** Tax-exempt \$80,000,000

Resolution No. 08-15 awarded this Project \$50,000,000 in allocation on January 23, 2008. The total Project request is \$130,000,000. CDLAC Staff requested that the Project receive two separate allocations due to the size of original request.

CDLAC Staff is also requesting Committee approval to revised Resolution No. 08-15's final bond issuance date to coincide with final bond issuance date of this allocation request.

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**Project Name:** Blossom Plaza Apartments  
**Project Address:** 900 North Broadway  
**Project City, County, Zip Code:** Los Angeles, Los Angeles, 90012

The proposed Project is located in a Community Revitalization Area, more specifically the Chinatown Redevelopment Project Area.

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**Project Sponsor Information:**  
**Name:** Chinatown Blossom Plaza, LLC (Bond Chinatown Venture II, LLC)  
**Principals:** Lawrence Bond and Robert Bond

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**Project Financing Information:**  
**Bond Counsel:** Kutak Rock, LLP  
**Underwriter:** Not applicable  
**Private Placement Purchaser:** Citigroup Global Markets, Inc.  
**TEFRA Hearing:** October 24, 2007

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**Description of Proposed Project:**  
**State Ceiling Pool:** Mixed Income  
**Total Number of Units:** 262, with no manager units  
**Type:** New Construction  
**Type of Units:** Family

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project:** 20%  
20% (53 units) restricted to 50% or less of area median income households.  
**Unit Mix:** Studios, 1-, and 2-bedrooms

**Term of Restrictions:** 55 years

<b>Estimated Total Development Cost:</b>	\$187,532,714
<b>Estimated Hard Costs per Unit:</b>	\$ 365,604 (\$67,907,959/262 units)
<b>Estimated per Unit Cost:</b>	\$ 463,652 (\$121,476,754/262 units)
<b>Allocation per Unit:</b>	\$ 496,183 (\$130,000,000/262 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 2,452,830 (\$130,000,000/53 restricted units)

The Project has total project costs that appear high for the geographic area in which it is located. According to the Project Sponsor, the high cost is due to Redevelopment of a Brownfield, Increasing density and connectivity, Providing alternative transportation, Minimizing the heat island effect, Water efficient landscaping, Innovative wastewater technologies, Water use reduction, Optimize energy performance, Enhanced commissioning, Enhanced refrigeration management, On-site renewable energy and green power, Measurement and verification, Construction waste management, Use of recycled content for construction materials, Rapidly renewable materials for construction, Use of FSC Certified wood products, Environmental Quality: Construction Indoor Air Quality Management Plan, Outdoor air delivery monitoring, Low emitting materials including: adhesives and sealants, paints and coatings, carpet, composite wood, Daylight and views and Innovation and Design Process: Innovation in design and LEED accredited professionals Including Bond Companies staff and consultants.

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$130,000,000	\$130,000,000
Developer Equity	\$ 32,592,914	\$ 32,592,914
Direct and Indirect Public Funds	<u>\$ 24,939,800</u>	<u>\$ 24,939,800</u>
Total Sources	\$187,532,714	\$187,532,714
<b>Uses of Funds:</b>		
Land Purchase	\$ 36,408,969	
On-Site & Off-Site Costs	\$ 4,637,580	
Hard Construction Costs	\$ 95,788,205	
Architect & Engineering Fees	\$ 7,102,764	
Contractor Overhead & Profit	\$ 4,413,281	
Developer Fee	\$ 5,334,071	
Cost of Issuance	\$ 1,487,000	
Capitalized Interest	\$ 9,104,109	
Other Soft Costs(Marketing, etc.)	<u>\$ 23,256,735</u>	
Total Uses	\$187,532,714	

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**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.

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**Total Points:** 69 out of 108

[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$80,000,000 in tax-exempt bond allocation and the revision of the final bond issuance date for Resolution No. 08-15 to coincide with this allocation request.

**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	6
Gross Rents	5	5	0
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	0
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	8
New Construction	10	10	10
Negative Points	NA	NA	0
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>69</b>

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.