

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 Crystal Alvarez.

Applicant: City of Los Angeles

Allocation Amount Requested: Tax-exempt \$18,000,000

Project Name: Adams & Central Mixed Use Development

Project Address: 1011 East Adams Blvd.
Project City, County, Zip Code: Los Angeles, Los Angeles, 90011

The proposed Project is located in a Community Revitalization Area, more specifically the Santa Monica Freeway Recovery Redevelopment Project Area.

Project Sponsor Information:

Name: Adams 935, L.P. (Adams 935, LLC and Western Community Housing, Inc.)
Principals: John M. Huskey, Kasey Burke, Rutzel Castillo, Graham Espley-Jones, Sandra Gibbons, David Connelley and Leanne Truofreh

Project Financing Information:

Bond Counsel: Kutack Rock, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Bank of America
TEFRA Hearing: January 23, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 79, 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% (79 units) restricted to 50% or less of area median income households; and

Unit Mix: 1, 2 and 3,bedrooms

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$31,513,013
Estimated Hard Costs per Unit:	\$ 223,902 (\$17,668,313/79 units)
Estimated per Unit Cost:	\$ 398,899 (\$31,513,013/79 units)
Allocation per Unit:	\$ 227,848 (\$18,000,000/79 units)
Allocation per Restricted Rental Unit:	\$ 227,848 (\$18,000,000/79 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$18,000,000	\$ 1,715,802
Developer Equity	\$ 168,479	\$ 63,680
LIH Tax Credit Equity	\$ 3,055,734	\$12,222,934
Direct & Indirect Public Funds	<u>\$10,288,800</u>	<u>\$17,510,597</u>
Total Sources	\$31,513,013	\$31,513,013

Uses of Funds:	
Land Purchase	\$ 4,649,146
On-Site & Off-Site Costs	\$ 897,063
Hard Construction Costs	\$16,791,250
Architect & Engineering Fees	\$ 1,254,500
Contractor Overhead & Profit	\$ 1,147,790
Developer Fee	\$ 1,055,000
Cost of Issuance	\$ 400,000
Capitalized Interest	\$ 1,464,000
Other Soft Costs	<u>\$ 3,854,264</u>
Total Uses	\$31,513,013

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: 115.50 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$18,000,000 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	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	7.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	8
New Construction	10	10	10
Negative Points	NA	NA	NA
Total Points	128	108	115.50

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.