

**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 Sarah Lester.*

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**Applicant:** Community Redevelopment Agency of the City of Los Angeles

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**Allocation Amount Requested:** Tax-exempt \$3,500,000

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**Project Name:** Alexandria House Apartments  
**Project Address:** 510 S. Alexandria Avenue  
**Project City, County, Zip Code:** Los Angeles, Los Angeles, 90020

The proposed project is located in Community Revitalization area, more specifically the Wilshire Center/Koreatown Redevelopment Project Area.

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**Project Sponsor Information:**

**Name:** Alexandria House Apartments, LP (Hollywood Community Housing Corporation; and Alexandria House)  
**Principals:** Bill Harris, Lisa Norlie and Judy Vaughan

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**Project Financing Information:**

**Bond Counsel:** Sidley Austin, LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Union Bank of California, N.A.  
**TEFRA Hearing:** January 23, 2008

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 15, plus 1 manager's unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Family

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**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project: 100%**  
100% (15 units) restricted to 50% or less of area median income households  
**Unit Mix:** Studio and 1 bedroom

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**Term of Restrictions:** 55 years

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|---|--|
| <b>Estimated Total Development Cost:</b>      | \$6,254,633                                  |
| <b>Estimated Hard Costs per Unit:</b>         | \$ 79,994 (\$1,199,905/15 units)             |
| <b>Estimated per Unit Cost:</b>               | \$ 416,976 (\$6,254,633/15 units)            |
| <b>Allocation per Unit:</b>                   | \$ 233,333 (\$3,500,000/15 units)            |
| <b>Allocation per Restricted Rental Unit:</b> | \$ 233,333 (\$3,500,000/15 restricted units) |

| <b>Sources of Funds:</b> | <u>Construction</u> | <u>Permanent</u>  |
|--------------------------|---------------------|-------------------|
| Tax-Exempt Bond Proceeds | \$3,500,000         | \$ 0              |
| CRA-Los Angeles          | \$2,725,000         | \$2,725,000       |
| MHP Funds                | \$ 0                | \$1,188,441       |
| AHP Subsidy              | \$ 0                | \$ 120,000        |
| City of Industry         | \$ 0                | \$ 737,817        |
| Equity Investor          | \$ 0                | \$1,278,298       |
| GP Contribution          | \$ 0                | \$ 100            |
| Deferred Dev. Fee        | <u>\$ 0</u>         | <u>\$ 204,977</u> |
| Total Sources            | \$6,254,633         | \$6,254,633       |

| <b>Uses of Funds:</b>        |                   |
|------------------------------|-------------------|
| Acquisition                  | \$3,104,579       |
| Rehabilitation               | \$1,458,740       |
| Architectural                | \$ 130,000        |
| Survey & Engineering         | \$ 8,150          |
| Contingency Costs            | \$ 282,709        |
| Construction Period Expenses | \$ 482,481        |
| Legal Fees                   | \$ 77,000         |
| Capitalized Reserves         | \$ 30,000         |
| Reports & Studies            | \$ 29,538         |
| Developer Costs              | \$ 366,486        |
| Other                        | <u>\$ 284,950</u> |
| Total Uses                   | \$6,254,633       |

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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:** 88 out of 128  
[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$3,500,000 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:<br>Non-Mixed Income Project<br>Mixed Income Project  | 35   | 15   | 35            |
| Gross Rents   | 5  | 5  | 5             |
| Exceeding Minimum Rent Restrictions<br>[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   | 10            |
| Site Amenities  | 10   | 10   | 5             |
| Service Amenities   | 10   | 10   | 10            |
| Sustainable Building Methods  | 8  | 8  | 3             |
| New Construction  | 10   | 10   | 0             |
| Negative Points   | NA   | NA   | 0             |
| <b>Total Points</b>   | <b>128</b>   | <b>108</b>                                       | <b>88</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.