

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.

Applicant: Community Redevelopment Agency of the City of Los Angeles

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

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.

Project Sponsor Information:

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

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

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

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

Term of Restrictions: 55 years

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

Sources of Funds:	<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

Uses of Funds:	
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

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: 88 out of 128
[See Attachment A]

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: 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	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
Total Points	128	108	88

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.