

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 16, 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 a 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 and Lisa Norlie

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: February 19, 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: 1 bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$6,805,173
Estimated Hard Costs per Unit:	\$103,957 (\$1,559,355 / 15 units)
Estimated per Unit Cost:	\$453,678 (\$6,805,173 / 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
Direct & Indirect Public Funds	\$2,969,108	\$5,551,258
Deferred Developer Fee	\$90,115	\$90,115
Deferred Costs	\$220,950	\$0
Equity Investor	\$25,000	\$1,163,700
GP Capital Contribution	\$0	\$100
Total Sources	\$6,805,173	\$6,805,173

Uses of Funds:	
Acquisition Cost	\$2,625,446
Rehabilitation Costs	\$1,871,784
Relocation	\$106,700
Architectural/Survey & Engin.	\$140,650
Contingency Costs	\$311,322
Construction Period Expenses	\$825,499
Permanent Financing Expenses	\$5,000
Legal Fees	\$118,000
Capitalized Reserves	\$38,300
Reports & Studies	\$33,575
Developer Fee	\$426,115
Other Soft Costs	\$302,782
Total Uses	\$6,805,173

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: 103 out of 138

[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
Exceeding Minimum Term of Restrictions	10	10	10
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	10
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	138	118	103

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.