

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 24, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Brady Hill

Applicant: City of Los Angeles

Allocation Amount Requested: **Tax-exempt:** \$5,700,000

Project Information:

Name: 36th St. and Broadway Apartments
Project Address: 157 E. 36th St. (36th Street Site)
4775 S. Broadway (Broadway Site)
Project City, County, Zip Code: Los Angeles, Los Angeles, 90011 (36th Street Site)
Los Angeles, Los Angeles, 90037 (Broadway Site)

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

Project Sponsor Information:

Name: To Be Formed, LP (LTSC Community Development and Coalition for Responsible Community Development)
Principals: Yoshiyuki Bill Watanabe for LTSC Community Development;
Mark Wilson and Selerin Ntahitgabira for Coalition for Responsible Community Development

Project Financing Information:

Bond Counsel: Kutak Rock LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo Bank
TEFRA Hearing: December 7, 2007 and February 29, 2008

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 25, plus 2 manager's units
Type: Acquisition and Rehabilitation
Type of Units: Family/Special Needs

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (25 units) restricted to 50% or less of area median income households.

Unit Mix: Studio, 1, 2 and 3 bedrooms

Term of Restrictions: 30 years

Development Cost (includes commercial):	\$10,148,479	
otal Development Cost (residential only):	\$9,998,479	
ard Costs per Unit (includes commercial):	\$76,197	(\$1,904/ 25 units)
ard Hard Costs per Unit (residential only):	\$73,816	(\$1,845/ 25 units)
ted per Unit Cost (includes commercial):	\$405,939	(\$10,148,479 / 25 units)
stimated per Unit Cost (residential only):	\$399,939	(\$9,998,479 / 25 units)
Allocation per Unit:	\$228,000	(\$5,700,000 / 25 units)
Allocation per Restricted Rental Unit:	\$228,000	(\$5,700,000 / 25 units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 5,700,000	\$ 0
Deferred Developer Fee	\$ 134,272	\$ 20,000
LIH Tax Credit Equity	\$ 483,905	\$ 2,352,635
Direct & Indirect Public Funds	\$ 3,760,302	\$ 7,775,844
Deferred Costs and Fees	\$ 70,000	\$ 0
Total Sources	\$ 10,148,479	\$ 10,148,479

Uses of Funds:	
Acquisition Costs	\$ 2,645,000
Rehabilitation Costs	\$ 2,297,054
Relocation	\$ 1,234,100
Architectural	\$ 170,676
Survey & Engineering	\$ 20,000
Contingency Costs	\$ 708,777
Construction Period Expenses	\$ 1,385,904
Permanent Financing Expenses	\$ 8,750
Legal Fees	\$ 65,000
Capitalized Reserves	\$ 339,871
Reports & Studies	\$ 58,500
Other	\$ 492,352
Developer Costs	\$ 722,495
Total Uses	\$ 10,148,479

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: 89.5 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$5,700,000 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
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Exceeding Minimum Term of Restrictions	10	10	0
Community Revitalization Area	15	15	9
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction	10	10	0
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
Total Points	128	108	89.5

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.