

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
December 3, 2008  
Staff Report  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A  
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Brady Hill

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**Applicant:** City of Los Angeles

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

PROJECT ORIGINALLY RECEIVED ALLOCATION ON SEPTEMBER 24, 2008. APPLICANT REQUESTED AWARD BE DEFERRED TO DECEMBER 3 ALLOCATION MEETING

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**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.

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**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

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**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

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**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

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**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

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**Term of Restrictions:** 30 years

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

<b>Sources of Funds:</b>	<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
<b>Total Sources</b>	<b>\$ 10,148,479</b>	<b>\$ 10,148,479</b>

<b>Uses of Funds:</b>	
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
<b>Total Uses</b>	<b>\$ 10,148,479</b>

**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
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>89.5</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.