

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 23, 2009
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Richard Fischer

Applicant: City of Los Angeles

Allocation Amount Requested:
Tax-exempt: \$10,000,000

Project Information:
Name: Toberman Village Apartments
Project Address: 201-204 North Palos Verdes Street
Project City, County, Zip Code: Los Angeles, Los Angeles, 90731

Project Sponsor Information:
Name: Vista Alegre, L.P. (New Economics For Women)
Principals: Maggie Cervantes

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: NARA Bank
TEFRA Hearing: February 4, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 48, plus 1 manager unit
Type: New Construction
Type of Units: Family

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
67% (32 units) restricted to 50% or less of area median income households.
33% (16 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	16,522,195	
Estimated Hard Costs per Unit:	\$	205,900	(\$9,883,180 /48 units)
Estimated per Unit Cost:	\$	344,212	(\$16,522,195 /48 units)
Allocation per Unit:	\$	208,333	(\$10,000,000 /48 units)
Allocation per Restricted Rental Unit:	\$	208,333	(\$10,000,000 /48 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 10,000,000	\$ 1,514,145
LIH Tax Credit Equity	\$ 1,678,636	\$ 5,002,503
Direct & Indirect Public Funds	\$ 4,138,775	\$ 10,005,547
Deferred Costs	\$ 704,784	\$ 0
Total Sources	\$ 16,522,195	\$ 16,522,195

Uses of Funds:	
Land Purchase	\$ 1,893,402
On-Site & Off-Site Costs	\$ 834,290
Hard Construction Costs	\$ 9,048,890
Architect & Engineering Fees	\$ 1,231,000
Contractor Overhead & Profit	\$ 479,955
Developer Fee	\$ 791,500
Cost of Issuance	\$ 208,535
Capitalized Interest	\$ 720,000
Other Soft Costs (Marketing, etc.)	\$ 1,314,623
Total Uses	\$ 16,522,195

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: 82.5 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$10,000,000 in tax exempt bond allocation on a carryforward basis.

The CDLAC bond issuance deadline shall be 1) the project specific California Tax Credit Allocation Committee closing deadline for January 27, 2010 TCAP/Exchange awards or 2) August 25, 2010 for those applicants unsuccessful in obtaining a TCAP/Exchange award on January 27, 2010.

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:	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	5
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction	10	10	10
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
Total Points	118	98	82.5

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.