

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**December 12, 2012**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Crystal Alvarez*

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**Applicant:** City of Los Angeles

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

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**Project Information:**  
**Name:** Eagle Vista Apartments  
**Project Address:** 4258-4268 Eagle Rock Boulevard  
**Project City, County, Zip Code:** Los Angeles, Los Angeles, 90041

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**Project Sponsor Information:**  
**Name:** 4260 Eagle Rock, L.P. (Women Organizing Resources Knowledge & Services)  
**Principals:** Brenda Shockley, Channa Grace, Mary Jane Wagle and Jacqueline Thomas  
**Property Management Company:** Community Housing Management Services

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**Project Financing Information:**  
**Bond Counsel:** Kutak Rock LLP  
**Private Placement Purchaser:** Citibank, N.A.  
**TEFRA Hearing Date:** November 9, 2012

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 55, plus 1 manager unit  
**Type:** New Construction  
**Type of Units:** Family/Special Needs

The subject site has an area of 20,230 square feet and is currently improved with a very small concrete block commercial building that is vacant. The rest of the site is occupied by a paved parking lot. The small commercial building will be demolished to allow for the development of 56 affordable housing units. Eagle Vista is a 56 unit affordable housing project with rents not exceeding 40% of area median income. Of the 56 units, 19 of the units will be made available to the developmentally disabled population, 15 will be reserved for the homeless veterans' population and 21 will be set-aside to assist homeless and low-income seniors, individuals and families.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
100% (55 units) restricted to 50% or less of area median income households.  
**Unit Mix:** Studio & 1 bedroom

The Project Sponsor has committed to providing instructor-led educational, health and wellness or skill building classes and a bona fide service coordinator/social worker available free of charge for a period of 10 years.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$	17,998,246
<b>Estimated Hard Costs per Unit:</b>	\$	172,834 (\$9,505,880 /55 units)
<b>Estimated per Unit Cost:</b>	\$	327,241 (\$17,998,246 /55 units)
<b>Allocation per Unit:</b>	\$	181,818 (\$10,000,000 /55 units)
<b>Allocation per Restricted Rental Unit:</b>	\$	181,818 (\$10,000,000 /55 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 10,000,000	\$ 750,000
Deferred Developer Equity	\$ 1,088,505	\$ 55,000
LIH Tax Credit Equity	\$ 2,401,688	\$ 6,235,135
Direct & Indirect Public Funds	\$ 4,508,053	\$ 10,958,111
Total Sources	\$ 17,998,246	\$ 17,998,246

<b>Uses of Funds:</b>	
Acquisition/Land Purchase	\$ 1,350,000
Hard Construction Costs	\$ 9,505,880
Architect & Engineering Fees	\$ 675,000
Contractor Overhead & Profit	\$ 822,000
Developer Fee	\$ 992,000
Cost of Issuance	\$ 550,000
Capitalized Interest	\$ 504,688
Other Soft Costs (Marketing, etc.)	\$ 3,598,678
Total Uses	\$ 17,998,246

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**Description of Financial Structure and Bond Issuance:**

The tax-exempt bonds will be privately placed with Citibank, N.A. The construction loan will be for a term of 24-months with a variable rate equal to SIFMA plus a spread of 2.50%. The Permanent loan will be for a term and amortization of 15 years. The loan will have a fixed rate equal to the sum of a 15 year maturity "AAA" bond rate as published by Thompson Municipal Market Monitor plus a spread of 3.00%. Currently, MMD is 2.64 for a current indicate rate of 5.64%.

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**Analyst Comments:**

Not Applicable

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**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.

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**Total Points:** 85 out of 130

[See Attachment A]

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**Recommendation:**

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

**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	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	10	10	0
Negative Points	-10	-10	0
<b>Total Points</b>	<b>130</b>	<b>100</b>	<b>85</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.