

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 14, 2016
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Sarah Lester

Applicant: City of Los Angeles

Allocation Amount Requested:

Tax-exempt: \$750,000

The amount of allocation requested is supplemental to the \$5,000,000 of allocation the Project received on May 18, 2016.

Project Information:

Name: West A Homes Apartments (Supplemental)
Project Address: 4080 & 4100 S. Vermont
Project City, County, Zip Code: Los Angeles, Los Angeles, 90037

Project Sponsor Information:

Name: West Angeles Homes II, LP (WA Homes MGP, LLC and VHJS West A GP, LLC)
Principals: Grant Power for WA Homes MGP, LLC; Saki Middleton, Peter and Marian Barker, Byron and Ann S. Barker and Amy Barker for VHJS West A GP, LLC
Property Management Company: Barker Management, Incorporated

Project Financing Information:

Bond Counsel: Kutak Rock LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: JPMorgan Chase Bank, N.A. (construction only)
TEFRA Noticing Date: January 15, 2016
TEFRA Adoption Date: March 1, 2016

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 43, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

The proposed project is an existing 44 unit apartment complex. The property consists of two regular shaped parcels separated by 41st Street. The subject parcels consist of a total of 55,815 square feet or approximately 1.28 acres. The subject, built in 1998, consists of two buildings. The first, at 4080 South Vermont, has one-, two- and three-story apartment building with an attached one-story common area building and one two-story apartment building. The second, has one-, two- and three-story apartment building with an attached one-story common area building, 1 two-story apartment building with an attached one-story common area laundry room building, and 2 two-story apartment buildings. Of the 44 units, 43 will be restricted and 1 will be reserved for a manager's unit. The building includes 20 two-bedroom one-bathroom townhouse units and 24 three-bedroom two-bathroom apartment units. The scope of work will include complete refurbishment of the unit interiors including new floor coverings, new kitchens and baths, energy star appliances and new fixtures and hardware. Exterior improvements will include landscape upgrades, a new roof and exterior paint. The renovation is anticipated to take approximately 10 to 12 months.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (43 units) restricted to 50% or less of area median income households.
Unit Mix: 2 & 3 bedrooms

The proposed project will not be providing service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 11,138,714	
Estimated Hard Costs per Unit:	\$ 68,543	(\$2,947,328 /43 units)
Estimated per Unit Cost:	\$ 259,040	(\$11,138,714 /43 units)
Allocation per Unit:	\$ 17,442	(\$0,750,000 /43 units)
Allocation per Restricted Rental Unit:	\$ 17,442	(\$0,750,000 /43 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 5,750,000	\$ 2,140,000
HCID Loan	\$ 4,315,481	\$ 4,315,481
LIH Tax Credit Equity	\$ 1,073,233	\$ 4,076,087
NOI During Construction	\$ 0	\$ 113,784
Seller Note	\$ 0	\$ 493,362
Total Sources	\$ 11,138,714	\$ 11,138,714

Uses of Funds:	
Land Cost/Acquisition	\$ 5,110,000
Rehabilitation	\$ 2,915,335
Relocation	\$ 132,000
Contractor Overhead & Profit	\$ 214,940
Architectural Fees	\$ 200,000
Survey & Engineering	\$ 25,000
Construction Interest and Fees	\$ 228,750
Permanent Financing	\$ 211,925
Legal Fees	\$ 150,000
Reserves	\$ 199,754
Appraisal	\$ 9,400
Contingency Cost	\$ 331,289
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 308,004
Developer Costs	\$ 1,102,317
Total Uses	\$ 11,138,714

Analyst Comments:

None

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.