

**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*

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**Applicant:** City of Los Angeles

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**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.

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**Project Information:**

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

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**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

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**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

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**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:**

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

<b>Sources of Funds:</b>	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
<b>Total Sources</b>	<b>\$ 11,138,714</b>	<b>\$ 11,138,714</b>

<b>Uses of Funds:</b>	
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
<b>Total Uses</b>	<b>\$ 11,138,714</b>

**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.