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RESOLUTION 87-35

RESOLUTION AUTHORIZING AN INITIAL LOAN COMMITMENT

WHEREAS, the California Housing Finance Agency staff has reviewed a loan application from Drew Housing Development Corp. for Willowbrook Green under the 80/20 State/Local Rental Housing Program and has recommended to the Lending/Insurance Committee of the Board of Directors that such loan be approved; and

WHEREAS, the Lending/Insurance Committee has reviewed that loan application and concurs in the recommendation of the staff; and

WHEREAS, based upon the recommendation of staff and the Lending/Insurance Committee, the Board of Directors has determined that an initial loan commitment be made to such project.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Housing Finance Agency:

- (1) The Executive Director, or in the Executive Director's absence, the Director of Programs of the California Housing Finance Agency is hereby authorized to transmit an initial commitment letter, subject to the recommended terms and conditions set forth in the attached report of CHFA staff dated June 16, 1987 for:

PROJECT NUMBER	DEV. NAME/ LOCALITY	# UNITS	MORTGAGE AMOUNT
87-32-S	Willowbrook Green	48	\$2,300,000
	Los Angeles County		260,673 (2nd Mortgage)

- (2) The initial commitment letter shall specifically state that the commitment is subject to the Agency's issuance of a final commitment to the sponsor not later than 6 months.
- (3) The Executive Director, or in the Executive Director's absence, the Director of Programs of the California Housing Finance Agency has the authority to modify the mortgage amount so stated in this resolution by an amount not to exceed seven percent

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(7%) without further Board approval. All other changes, including changes in mortgage amount of more than seven percent (7%), must be submitted to the Board for approval.

I hereby certify that this is a true and correct copy of Resolution 87-35 adopted at a duly constituted meeting of the Board of Directors of the California Housing Finance Agency held on July 9, 1987 at Sacramento, California.

ATTEST:   
Secretary

State of California

M E M O R A N D U M

To : Lending/Insurance Committee

Date : June 16, 1987

From : A. M. Smith  
: CALIFORNIA HOUSING FINANCE AGENCY

Subject : Willowbrook Green  
Willowbrook Area, Unincorporated  
Los Angeles County  
CHFA #87-32-S  
(501(c)(3) Corp.)

Action Requested

The purpose of this memorandum is to recommend an Initial Commitment under the Agency's 80/20 State/Local Rental Housing Program. We hereby request a First Mortgage in the amount of \$2,300,000 and a feasibility loan the maximum amount of \$260,673. The second mortgage feasibility loan will carry an interest rate of 3%. The Agency will provide a second mortgage, which will be used to write-down the interest rate and allow 20% of the units to be affordable to very low-income (50% of median). The Agency's funds will provide the permanent financing for 48 multi-family rental units. The Initial Commitment is predicated solely on the income loan analysis and is intended to give a preliminary feasibility determination. Sponsor has 180 days to secure a final loan commitment. The final loan application for mortgage financing will be supported by an independent market analysis MAI appraisal and will be approved by all the Agency's disciplines.

Analysis

The proposed development will be located on a 3.02 acre parcel between 118 Place and 118th Street in the unincorporated portion of Los Angeles County commonly referred to as Willowbrook. The site is conveniently located with respect to

shopping, public transportation, recreation facilities and business and employment centers. The improvements will consist of 4 two-story residential buildings containing:

No. of Units	Bedrooms	Baths
16	1	1
24	2	2
8	3	2

The proposed amenities include individual laundry hookups, private patios, community building, security gate entrance and units oriented towards a landscaped courtyard. Seventy two of the 123 on-site parking spaces will be covered.

#### Secondary Financing

The Community Development Commission, County of Los Angeles will assemble and sell the parcel to Drew Economic Development Corporation, who in turn will convey it to Drew Housing Development Corporation, the proposed mortgagor. Additionally, CDC-LA will provide \$200,000 to assist the development in achieving feasibility. The recommendation for Final Commitment will contain the details with respect to the secondary financing will be detailed. Any secondary financing will be required to comply with the Agency's established policy.

The combined contributions of developer's equity and CDC secondary financing result is a projected CHFA loan to cost ratio of 69.34%.

#### DEVELOPMENT TEAM ANALYSIS

Developer:                   The Drew Economic Development Corporation

Drew Economic Development Corporation (Drew EDC) is a California non-profit corporation sponsored by the Charles R. Drew Postgraduate Medical School. Drew EDC was incorporated in 1982 as a tax-exempt neighborhood based non-profit organization. Both the Ford Foundation and the Drew School are providing continuing support to Drew EDC. Additionally, Drew EDC has received support from the Arco, Ahmanson and Irvine Foundations. The specific purposes for

which Drew EDC was incorporated are to revitalize the physical and social aspects of the community surrounding the Martin Luther King/Charles R. Drew Medical Center; to provide residents the opportunity to own, manage, and operate businesses in the community; and to provide housing for low income families.

Brenda Shockley, LLD, Executive Director of Drew EDC, has previous experience in the development of housing and has served as a consultant to Model Cities program in San Francisco, Berkeley, Oakland and Compton, California.

Contractor: A contractor acceptable to both the Agency and the construction lender with a Class B California license will be selected prior to Final Commitment.

Architect: Dubnoff and Hayden, Architecture and Planning

Dubnoff and Hayden was founded in 1984. The firm specializes in the planning, programming, and architectural design of housing and community facilities.

Ena Dubnoff, AIA, a registered California architect, is an Assistant Professor, School of Architecture, University of Southern California.