

Using NMTCs To Develop Mixed-Use & Multifamily Real Estate

March 2010





YWCA Urban Campus

- New construction of a 7-story mixed-use building which will house Los Angeles Job Corps as well as the YWCA of Greater Los Angeles' Administrative Offices.
- Since 1965, YWCA and the U.S. Department of Labor have partnered to offer one of the nation's largest and most comprehensive residential education and job training programs for at-risk youth, ages 16 through 24.
 - Training curriculum includes the fields of health care, business technology, building trades, electronics, and culinary arts.
 - The average LAJC enrollee is 20 years old and has not completed high school.
 - LAJC annually serves more than 1,300 of Los Angeles's most needy youth: high school drop-outs, foster and homeless youth, youthful offenders, and recent immigrants.
- The new building will have 200 bedrooms (with 400 beds), health facilities, kitchen and dining facilities, classrooms, library, lounges, and study rooms. The project will also include campus-wide green spaces with recreation facilities located both indoors and outdoors.





Key Challenges

- four CDEs, two investors, eight sources of subordinate financing, four government agencies
- YWCA wanted 20 year financing solution
- DOL lease termination provisions
- Non-profit developer



Sources of Funds

- BOA Leveraged Loan \$14,150,000
- YWCA Leveraged Loan \$36,074,000
- BOA NMTC Equity \$ 5,850,000
- JP Morgan Chase NMTC Equity \$14,082,000

- Total NMTC Financing \$70,156,000

- ***Simple Enough Right?***

A Mix of Subordinate Financing....

Other Financing

| | |
|-------------------------------|----------------------|
| • California State MHP | \$5,000,000 |
| • LA County Industry | \$2,000,000 |
| • FHLB - AHP | \$1,000,000 |
| • CA HCD – EHAP | \$1,000,000 |
| • Dept of Commerce | \$ 620,000 |
| • Deferred Developer Fee | \$1,393,000 |
| • Less Direct BOA Bridge Loan | <u>(\$3,936,000)</u> |
| • Total Other Financing | \$7,027,000 |



Sources of YWCA Leveraged Loan and Repayment of BOA Bridge

| | |
|---|---------------------|
| • Department of Labor Upfront Lease Pmt | \$20,000,000 |
| • CRA of Los Angeles | \$ 2,000,000 |
| • Development Rights in Lieu Fees | \$ 8,000,000 |
| • California Endowment Grant | \$ 525,000 |
| • Sponsor Equity | \$ 1,500,000 |
| • BOA Bridge Loan | <u>\$ 3,936,000</u> |
| | |
| • Total YWCA Leverage Loan | \$36,074,000 |
| | |
| • BOA Bridge Loan Repayment | |
| • LA County Industry | \$2,000,000 |
| • FHLB - AHP | \$1,000,000 |
| • CA HCD – EHAP | \$1,000,000 |

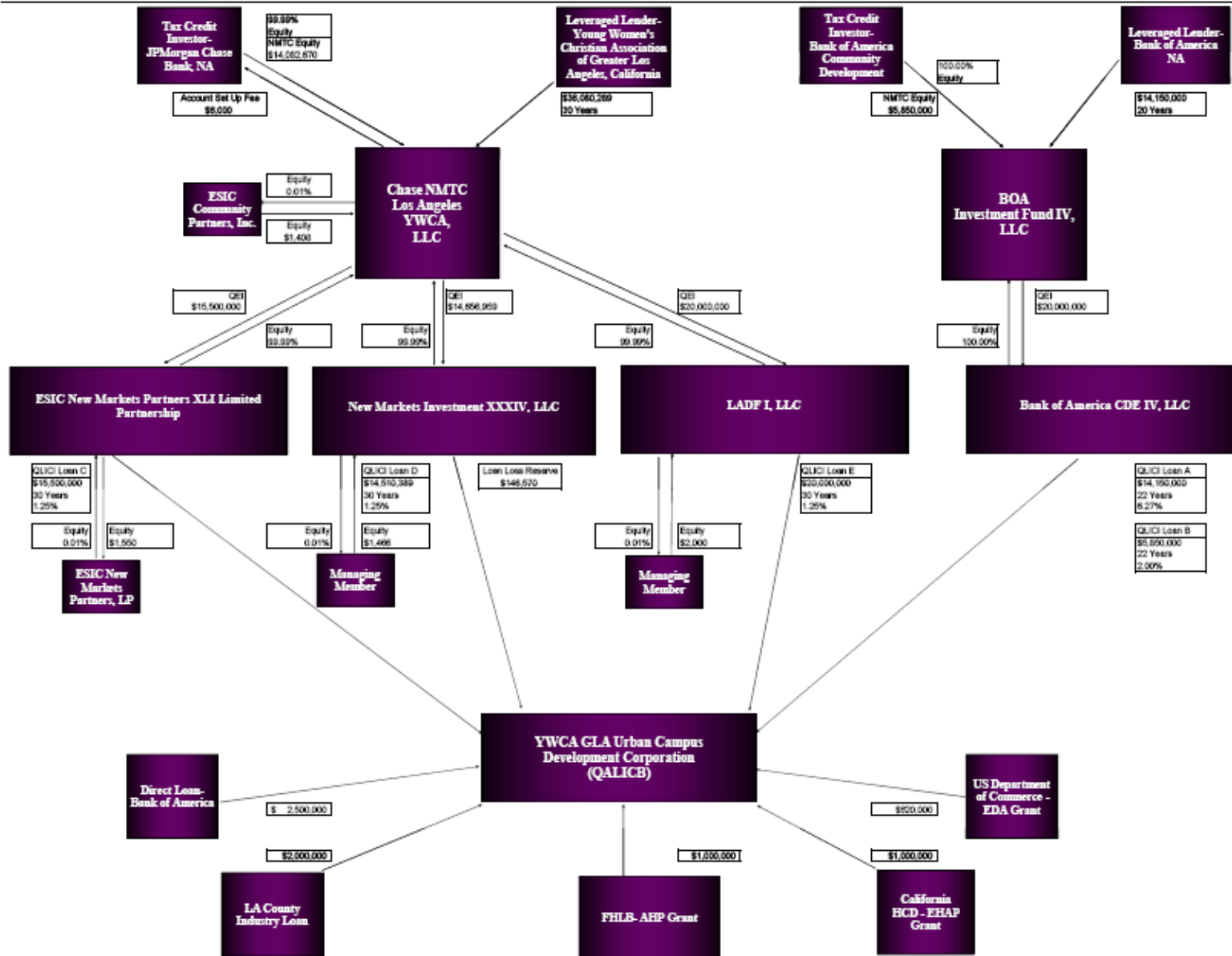
What's in a Lien?

- Who wants a mortgage?
- First? Second or Third?
- Fourth or Fifth lien or just pari-passu?

- Who wants a Deed Restriction?

**YWCA GLA URBAN CAMPUS DEVELOPMENT CORPORATION
FINANCIAL FORECAST**

CONSTRUCTION SOURCES FLOWCHART



Leigh Ann Smith

leigh.ann.smith@baml.com

980-386-3855



John Ducey

jducey@enterprisecommunity.com

410-772-6129

