

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 23, 2008
Staff Report
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT***

Prepared by Crystal Alvarez .

Applicant: City of Los Angeles

Allocation Amount Requested: Tax-exempt \$7,500,000

Project Name: Burns Manor Apartments
Project Address: 8155 Foothill Blvd.
Project City, County, Zip Code: Sunland, Los Angeles, 91040

Project Sponsor Information:
Name: Burns Manor VOA Affordable Housing, L.P.
(Burns Manor VOA Affordable Housing, Inc.)
Principals: Karen Dale and David Bowman

Project Financing Information:
Bond Counsel: Kutak Rock, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo Bank / California Community Reinvestment Corporation
TEFRA Hearing: July 3, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 81, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Senior / Federally Assisted At-Risk

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
20% (16 units) restricted to 50% or less of area median income households; and
80% (65 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$14,700,000
Estimated Hard Costs per Unit:	\$ 45,805 (\$3,710,192/81 units)
Estimated per Unit Cost:	\$ 181,481 (\$14,700,000/81 units)
Allocation per Unit:	\$ 92,593 (\$7,500,000/81 units)
Allocation per Restricted Rental Unit:	\$ 92,593 (\$7,500,000/81 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 7,500,000	\$ 5,245,559
Deferred Developer Fee	\$ 1,000,000	\$ 1,000,000
LIH Tax Credit Equity	\$ 3,150,000	\$ 5,404,441
Other (Seller Note)	<u>\$ 3,050,000</u>	<u>\$ 3,050,000</u>
Total Sources	\$14,700,000	\$14,700,000

Uses of Funds:	
Land Purchase	\$ 7,500,000
Other Construction Costs	\$ 549,712
Hard Construction Costs	\$ 3,160,480
Architect & Engineering Fees	\$ 100,000
Contractor Overhead & Profit	\$ 268,009
Developer Fee	\$ 1,805,000
Relocation	\$ 75,000
Cost of Issuance	\$ 283,412
Other Soft Costs	<u>\$ 958,387</u>
Total Uses	\$14,700,000

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.

Total Points: 60.5 out of 128

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$7,500,000 in tax-exempt bond allocation.

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	10
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	35	15	30
Gross Rents	5	5	5
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	0
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	5
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	NA
Total Points	128	108	60.5

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.