

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 28, 2008
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Brady Hill.

Applicant: California Municipal Finance Authority

Allocation Amount Requested: Tax-exempt \$2,020,000

The amount of allocation requested is supplemental to the \$18,000,000 of allocation the Project received in March 2008. According to the Project Sponsor, additional allocation is needed because they are significantly expanding the scope of the rehabilitation of the property.

Project Name: Inglewood Meadows Apartments
Project Address: 1 Locust Street
Project City, County, Zip Code: Inglewood, Los Angeles, 90301

The proposed Project is located in a Community Revitalization area, more specifically in the In-Town Redevelopment Project Area.

Project Sponsor Information:
Name: Inglewood Meadows KBS, L.P. (Housing Corporation of America and KBS Housing, LLC)
Principals: Carol Cromar and Ronald H. Olson for Housing Corporation of America; Thomas L. Safran, Michael Kaplan and Stanley Black for KBS Housing, LLC

Project Financing Information:
Bond Counsel: Hawkins, Delafield & Wood, LLP
Underwriter: Not applicable
Credit Enhancement Provider: Not applicable
Private Placement Purchaser: Citicorp Municipal Mortgage Inc.
TEFRA Hearing: December 4, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 198, 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% (40 units) restricted to 50% or less of area median income households; and
80% (158 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

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.

Recommendation:

Staff recommends that the Committee approve the supplemental request of \$2,020,000 in tax-exempt bond allocation.

REVISED SOURCES AND USES

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$20,020,000	\$20,020,000
Developer Equity	\$ 572,161	\$ 572,161
Deferred Fees & Costs	\$ 1,307,485	\$ 0
LIH Tax Credit Equity	\$ 7,409,087	\$ 8,716,573
NOI during construction	<u>\$ 1,300,255</u>	<u>\$ 1,300,255</u>
Total Sources	\$30,608,988	\$30,608,989

Uses of Funds:	
Acquisition Cost	\$17,502,672
On-Site & Off-Site Costs	\$ 617,000
Hard Construction Costs	\$ 6,822,771
Architect & Engineering Fees	\$ 80,000
Contractor Overhead & Profit	\$ 500,153
Developer Fee	\$ 2,500,000
Relocation	\$ 91,287
Cost of Issuance	\$ 511,900
Capitalized Interest	\$ 900,900
Other Soft Costs	<u>\$ 1,082,306</u>
Total Uses	\$30,608,989