

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
March 16, 2011  
Staff Report  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A  
QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Richard Fischer*

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**Applicant:** City of Los Angeles

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**Allocation Amount Requested:**  
**Tax-exempt:** \$13,000,000

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**Project Information:**  
**Name:** Canby Woods Senior Housing  
**Project Address:** 7238-7248 Canby Avenue  
**Project City, County, Zip Code:** Los Angeles, Los Angeles, 91335

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**Project Sponsor Information:**  
**Name:** Bixel House, a California Limited Partnership (Thomas Safran & Associates and Housing Corporation of America)  
**Principals:** Thomas L. Safran for Thomas L. Safran & Associates; Paul F. Barber, Ron Olsen and J. Fielding Nelson for Housing Corporation of America

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**Project Financing Information:**  
**Bond Counsel:** Kutak Rock LLP  
**Underwriter:** Not Applicable  
**Private Placement Purchaser:** Citiank, N.A. Freddie Mac  
**TEFRA Hearing Date:** February 4, 2011

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 97, plus 1 manager unit  
**Type:** New Construction  
**Type of Units:** Senior Citizens

A 97 Unit New Construction Senior apartment complex located at the western end of the San Fernando Valley. Access to near by shopping and medical facilities is enhanced with close by public transportation.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
21% (20 units) restricted to 50% or less of area median income households.  
79% (77 units) restricted to 60% or less of area median income households.  
**Unit Mix:** Studio, 1 & 2 bedrooms

This is a Senior 100% affordable Project. Eighteen 1-bedroom, and two 2-bedroom apartments at 50% of AMI. Seventy-four 1-bedroom and three 2-bedroom apartments at 60% of local AMI. The project will provide educational classes such as English as a second language classes and Computer Training. The Project also will be providing Contract for Services such as assistance with daily living activities or provision of senior counseling services.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$	23,872,836	
<b>Estimated Hard Costs per Unit:</b>	\$	133,432	(\$12,942,929 /97 units)
<b>Estimated per Unit Cost:</b>	\$	246,112	(\$23,872,836 /97 units)
<b>Allocation per Unit:</b>	\$	134,021	(\$13,000,000 /97 units)
<b>Allocation per Restricted Rental Unit:</b>	\$	134,021	(\$13,000,000 /97 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 13,000,000	\$ 4,572,000
Developer Equity	\$ 1,768,893	\$ 1,659,305
LIH Tax Credit Equity	\$ 1,193,179	\$ 7,954,528
Direct & Indirect Public Funds	\$ 7,910,764	\$ 9,687,003
<b>Total Sources</b>	<b>\$ 23,872,836</b>	<b>\$ 23,872,836</b>

<b>Uses of Funds:</b>	
Land Purchase	\$ 4,200,000
On & Off Site Costs	\$ 492,000
Hard Construction Costs	\$ 12,450,929
Architect & Engineering Fees	\$ 1,084,184
Contractor Overhead & Profit	\$ 780,920
Developer Fee	\$ 2,000,000
Cost of Issuance	\$ 203,550
Capitalized Interest	\$ 1,127,250
Other Soft Costs (Marketing, etc.)	\$ 1,534,003
<b>Total Uses</b>	<b>\$ 23,872,836</b>

**Description of Financial Structure and Bond Issuance:**

The Project Partnership has obtained commitments from Citibank, NA to finance a large portion of the project with tax exempt bonds along with its developer equity. The Citibank portion will be Privately Placed. The project will also be utilizing \$9,687,003 in Public Funds.

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**Analyst Comments:**

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**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.

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**Total Points:** 85.5 out of 118

[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$13,000,000 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	0
Exceeding Minimum Income Restrictions:	35	15	30
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	10
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	0
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	3
Negative Points	-10	-10	0
<b>Total Points</b>	<b>118</b>	<b>98</b>	<b>85.5</b>

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.