

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 18, 2011
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: City of Los Angeles

Allocation Amount Requested:
Tax-exempt: \$14,000,000

Project Information:
Name: La Coruna Senior Apartments
Project Address: 8101-8107 North Sepulveda Boulevard
Project City, County, Zip Code: Los Angeles, Los Angeles, 91402

Project Sponsor Information:
Name: La Coruna Senior Apartments, L.P. (Western Community Housing, Inc.; La Caruna Senior Apartments, LLC; John M. Huskey)
Principals: Graham Espley-Jones, Sandra Gibbons, David Connelly and Leanne Truofreh for Western community Housing, Inc.; John M. Huskey, Kasey Burke, George Russo and Rutzel Castillo for La Coruna Senior Apartments, LLC; John M. Huskey as an individual.

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: Citibank Global Markets, Inc.
TEFRA Hearing Date: April 1, 2011

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 86, plus 1 manager unit
Type: New Construction
Type of Units: Senior Citizens

The proposed senior affordable Project is located within the Pacoima/Panorama City Redevelopment Project Area. It is a new development with 87 units. The structure will be four stories of residential use above a semi-subterranean garage containing 52 parking spaces. Included in the Project is a large 2,000 square foot community room with a common kitchen, a library, a computer/multi-media room, laundry facilities, a management office, mail room, comprehensive on-site support services and an outdoor interior courtyard. Construction is anticipated to begin in August of 2011 and end February 2013.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (86 units) restricted to 50% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

The Project will be providing educational classes such as English as a Second Language and computer training.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 24,645,952	
Estimated Hard Costs per Unit:	\$ 148,192	(\$12,744,544 /86 units)
Estimated per Unit Cost:	\$ 286,581	(\$24,645,952 /86 units)
Allocation per Unit:	\$ 162,791	(\$14,000,000 /86 units)
Allocation per Restricted Rental Unit:	\$ 162,791	(\$14,000,000 /86 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 14,000,000	\$ 2,070,957
Developer Equity	\$ 652,470	\$ 160,017
LIH Tax Credit Equity	\$ 1,871,538	\$ 7,486,151
Direct & Indirect Public Funds	\$ 8,121,944	\$ 14,928,827
Total Sources	\$ 24,645,952	\$ 24,645,952
 Uses of Funds:		
Land Purchase	\$ 4,280,000	
On & Off Site Costs	\$ 250,000	
Hard Construction Costs	\$ 12,494,544	
Architect & Engineering Fees	\$ 1,300,000	
Contractor Overhead & Profit	\$ 971,760	
Developer Fee	\$ 1,231,500	
Cost of Issuance	\$ 450,000	
Capitalized Interest	\$ 730,800	
Other Soft Costs (Marketing, etc.)	\$ 2,937,348	
Total Uses	\$ 24,645,952	

Description of Financial Structure and Bond Issuance:

Upon issuance, Citibank will purchase the bonds. The bond proceeds will be loaned to the La Coruna Senior Apartments, L.P. to fund the construction of the Project. The construction loan administered by Citibank is anticipated to be \$14,000,000 secured by a Multifamily Deed of Trust in the first position . The permanent loan administered by California Community Reinvestment Corporation is anticipated to be \$2,070,957 secured by a Multifamily Deed of Trust in the first position. The permanent loan anticipated indicative rate is 6.15%

Analyst Comments:

All units are designed with disabled access in the kitchens and bathrooms.

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: 98.1 out of 118

[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$14,000,000 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	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Federally Assisted At-Risk Project or HOPE VI Project]	[10]	[10]	7.6
Gross Rents	5	5	0
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	15
Site Amenities	10	10	7.5
Service Amenities	10	10	5
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	98.1

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.