

**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 John Weir*

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**Applicant:** Housing Authority of the County of Los Angeles

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**Allocation Amount Requested:** Tax-exempt \$8,855,000

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**Project Name:** **Leffingwell Manor Apartments**  
**Project Address:** 11410 Santa Gertrudes Ave  
**Project City, County, Zip Code:** Whittier, Los Angeles, 90604

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**Project Sponsor Information:**

**Name:** Leffingwell Manor KBS, L.P.  
(Housing Corporation of American and KBS Housing, LLC)  
**Principals:** Carol Cromar, President/Treasurer and Ronald Olson, Chairman/VP/Secretary of Housing Corporation of America; Thomas L. Safran, Member; Michael Kaplan, Member; and Stanley Black, Member of KBS Housing, LLC.

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**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:** October 5, 2007

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 88, plus 1 manager unit  
**Type:** Acquisition and Rehabilitation  
**Type of Units:** Senior

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**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project: 100%**  
20% (18 units) restricted to 50% or less of area median income households; and  
80% (70 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1 bedroom

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**Term of Restrictions:** 55 years

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<b>Estimated Total Development Cost:</b>	\$14,133,948
<b>Estimated Hard Costs per Unit:</b>	\$ 34,069 (\$2,998,050/88 units)
<b>Estimated per Unit Cost:</b>	\$ 160,613 (\$14,133,948/88 units)
<b>Allocation per Unit:</b>	\$ 100,625 (\$8,855,000/88 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 100,625 (\$8,855,000/88 units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 8,855,000	\$ 8,855,000
Developer Equity	\$ 1,659,142	\$ 631,376
LIH Tax Credit Equity	\$ 3,083,296	\$ 4,111,061
NOI During Construction	<u>\$ 536,510</u>	<u>\$ 536,510</u>
Total Sources	\$14,133,948	\$14,133,948

<b>Uses of Funds:</b>	
Land Purchase	\$ 8,231,404
On-Site & Off-Site Costs	\$ 750,000
Hard Construction Costs	\$ 2,248,050
Architect & Engineering Fees	\$ 37,500
Contractor Overhead & Profit	\$ 202,400
Developer Fee	\$ 1,678,411
Relocation	\$ 25,000
Cost of Issuance	\$ 173,253
Capitalized Interest	\$ 259,009
Other Soft Costs	<u>\$ 508,922</u>
Total Uses	\$14,133,948

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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:** (70.5 out of 128)

[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$8,855,000 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	20
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	2.5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	0
<b>Total Points</b>	<b>128</b>	<b>108</b>	<b>70.5</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.