

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**July 16, 2008**  
**Staff Report**  
***REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A***  
***QUALIFIED RESIDENTIAL RENTAL PROJECT***

*Prepared by Richard C. Fischer .*

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**Applicant:** Community Redevelopment Agency of the City of Palmdale

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**Allocation Amount Requested:** Tax-exempt \$1,400,000

The amount of allocation requested is supplemental to the \$6,100,000 of allocation the Project received in September 21, 2005. According to the Project Sponsor, additional allocation is needed to meet the 50% test consideration of their 4% tax credits.

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**Project Name:** Courson Connection Senior Apartments

**Project Address:** 38250 9<sup>th</sup> Street East  
**Project City, County, Zip Code:** Palmdale, Los Angeles, 93550

The proposed Project is located in a Community Revitalization Area, more specifically the Merged Redevelopment Area.

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**Project Sponsor Information:**

**Name:** Courson Senior Partners, LP (National CORE of California)  
**Principals:** Jeffrey S. Burum, Rebecca F. Clark, and Richard J. Whittingham

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**Project Financing Information:**

**Bond Counsel:** Quint & Thimmig, LLP  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** Wells Fargo Bank, N.A.  
**TEFRA Hearing:** June 11, 2008

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**Description of Proposed Project:**

**State Ceiling Pool:** General  
**Total Number of Units:** 74, plus 1 manager unit  
**Type:** New Construction  
**Type of Units:** Senior

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**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project: 100%**  
100% (74 units) restricted to 50% or less of area median income households.  
**Unit Mix:** 1 & 2 bedrooms

**Term of Restrictions:** 65 years

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<b>Estimated Total Development Cost:</b>	\$14,175,659
<b>Estimated Hard Costs per Unit:</b>	\$ 136,045 (\$10,067,313/74 units)
<b>Estimated per Unit Cost:</b>	\$ 191,563 (\$14,175,659/74 units)
<b>Allocation per Unit:</b>	\$ 101,351 (\$7,500,000/74 units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 101,351 (\$7,500,000/74 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 7,500,000	\$ 1,444,000
Developer Equity	\$ 282,852	\$ 501,075
Deferred Developer Fee	\$ 0	\$ 300,000
LIH Tax Credit Equity	\$ 1,000,000	\$ 6,389,000
Direct & Indirect Public Funds	<u>\$ 4,565,434</u>	<u>\$ 5,541,584</u>
Total Sources	\$13,348,286	\$14,175,659

<b>Uses of Funds:</b>	
Land Purchase	\$ 0
On-Site & Off-Site Costs	\$ 1,648,940
Hard Construction Costs	\$ 8,418,373
Architect & Engineering Fees	\$ 529,273
Contractor Overhead & Profit	\$ 513,864
Developer Fee	\$ 500,000
Cost of Issuance	\$ 138,096
Capitalized Interest	\$ 448,568
Other Soft Costs	<u>\$ 1,978,545</u>
Total Uses	\$14,175,659

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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:** 112 out of 148  
[See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approve \$1,400,000 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: Non-Mixed Income Project Mixed Income Project	35	15	35
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]	10
Exceeding Minimum Term of Restrictions	10	10	10
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	15	15	10
Site Amenities	10	10	10
Service Amenities	10	10	10
Sustainable Building Methods	8	8	2
New Construction	10	10	10
Negative Points	NA	NA	NA
<b>Total Points</b>	<b>148</b>	<b>128</b>	<b>112</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.