

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 23, 2009
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: \$11,660,000

Project Information:
Name: Glenoaks Gardens Apartments
Project Address: 8925-8933 Glenoaks Boulevard
Project City, County, Zip Code: Los Angeles (Sun Valley), Los Angeles, 91352

Project Sponsor Information:
Name: Glenoaks Gardens, L.P. (L.A. Family Housing, Inc.)
Principals: Stephanie Klasky-Gamer, Genette Foster and Ray Barber

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Underwriter: Not Applicable
Private Placement Purchaser: Well Fargo Bank, N.A.
TEFRA Hearing Date: August 14, 2009

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 60, plus 1 manager unit
Type: New Construction
Type of Units: Family/Special Needs

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (60 units) restricted to 50% or less of area median income households.
Unit Mix: Studio

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	20,501,040	
Estimated Hard Costs per Unit:	\$	153,501	(\$9,210,072 /60 units)
Estimated per Unit Cost:	\$	341,684	(\$20,501,040 /60 units)
Allocation per Unit:	\$	194,333	(\$11,660,000 /60 units)
Allocation per Restricted Rental Unit:	\$	194,333	(\$11,660,000 /60 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 11,660,000	\$ 0
Deferred Developer Fee	\$ 400,000	\$ 400,000
LIH Tax Credit Equity	\$ 1,252,100	\$ 5,245,496
Direct & Indirect Public Funds	\$ 6,385,572	\$ 14,855,544
Other (Costs Deferred until Completion)	\$ 803,368	\$ 0
Total Sources	\$ 20,501,040	\$ 20,501,040

Uses of Funds:	
Acquisition Costs	\$ 2,776,236
New Construction Costs	\$ 10,724,867
Architectural	\$ 887,000
Survey & Engineering	\$ 94,250
Contingency Costs	\$ 1,223,069
Construction Period Expenses	\$ 2,119,906
Permanent Financing Expenses	\$ 5,500
Legal Fees	\$ 105,000
Capitalized Reserves	\$ 307,137
Reports & Studies	\$ 30,200
Other (Marketing, etc)	\$ 740,375
Developer Costs	\$ 1,487,500
Total Uses	\$ 20,501,040

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: 85 out of 118
 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$11,660,000 in tax exempt bond allocation on a carryforward basis.

The CDLAC bond issuance deadline shall be 1) the project specific California Tax Credit Allocation Committee closing deadline for January 27, 2010 TCAP/Exchange awards or 2) August 25, 2010 for those applicants unsuccessful in obtaining a TCAP/Exchange award on January 27, 2010.

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]	2
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	5
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	8
Negative Points	-10	-10	0
Total Points	118	98	85

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.