

**THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**  
**July 28, 2010**  
**Staff Report**  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A**  
**QUALIFIED RESIDENTIAL RENTAL PROJECT**

*Prepared by: Brady Hill*

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

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

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**Project Information:**  
**Name:** Normandie Senior Housing Apartments  
**Project Address:** 1335 W. 105th Street  
**Project City, County, Zip Code:** Los Angeles, Los Angeles, 90044

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**Project Sponsor Information:**  
**Name:** Normandie Senior Housing Partners, L.P. (The Southern California Housing Development Corporation of Los Angeles)  
**Principals:** Orlando J. Cabrera and Richard J. Whittingham for the Southern California Housing Development Corporation of Los Angeles

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**Project Financing Information:**  
**Bond Counsel:** Orrick, Herrington & Sutcliffe LLP  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Private Placement Purchaser:** JP Morgan Chase Bank, N.A.(Construction)/  
California Community Reinvestment Corporation (Permanent)  
**TEFRA Hearing Date:** July 10, 2009

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 61, plus 1 manager unit  
**Type:** New Construction  
**Type of Units:** Senior Citizens

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**Description of Public Benefits:**  
**Percent of Restricted Rental Units in the Project:** 100%  
100% (61 units) restricted to 50% or less of area median income households.  
**Unit Mix:** 1 & 2 bedrooms

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**Term of Restrictions:**  
**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

|   |               |                                    |
|---|---------------|------------------------------------|
| <b>Estimated Total Development Cost:</b>      | \$ 15,120,808 |                                    |
| <b>Estimated Hard Costs per Unit:</b>         | \$ 156,923    | (\$9,572,304 /61 units)            |
| <b>Estimated per Unit Cost:</b>               | \$ 247,882    | (\$15,120,808 /61 units)           |
| <b>Allocation per Unit:</b>                   | \$ 131,148    | (\$8,000,000 /61 units)            |
| <b>Allocation per Restricted Rental Unit:</b> | \$ 131,148    | (\$8,000,000 /61 restricted units) |

| <b>Sources of Funds:</b>       | <u>Construction</u>  | <u>Permanent</u>     |
|--------------------------------|----------------------|----------------------|
| Tax-Exempt Bond Proceeds       | \$ 8,000,000         | \$ 750,000           |
| Deferred Equity                | \$ 0                 | \$ 383,050           |
| LIH Tax Credit Equity          | \$ 250,000           | \$ 4,512,268         |
| Direct & Indirect Public Funds | \$ 5,788,308         | \$ 9,222,573         |
| Deferred Financing             | \$ 1,082,500         | \$ 0                 |
| AHP                            | \$ 0                 | \$ 252,917           |
| <b>Total Sources</b>           | <b>\$ 15,120,808</b> | <b>\$ 15,120,808</b> |

| <b>Uses of Funds:</b>        |                      |
|------------------------------|----------------------|
| On & Off Site Costs          | \$ 860,743           |
| Hard Construction Costs      | \$ 8,711,561         |
| Architect & Engineering Fees | \$ 1,674,203         |
| Contractor Overhead & Profit | \$ 1,130,514         |
| Developer Fee                | \$ 1,000,000         |
| Cost of Issuance             | \$ 177,158           |
| Capitalized Interest         | \$ 525,000           |
| Other Soft Costs             | \$ 1,041,629         |
| <b>Total Uses</b>            | <b>\$ 15,120,808</b> |

**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:** 95.5 out of 118

[See Attachment A]

**Recommendation:**

Staff recommends that the Committee approve \$8,000,000 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<br>[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  | 8             |
| Negative Points   | -10  | -10  | 0             |
| <b>Total Points</b>   | <b>118</b>   | <b>98</b>  | <b>95.5</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.