

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 26, 2007
Executive Summary
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by Crystal Alvarez.

Applicant: City of Los Angeles

Allocation Amount Requested: Tax-exempt \$7,300,000

Project Name: Burns Manor Apartments
Project Address: 8155 Foothill Blvd.
Project City, County, Zip Code: Sunland, Los Angeles CA 91040

Project Sponsor Information:
Name: Burns Manor Volunteers of America Affordable Housing, L.P. (Burns Manor VOA Affordable Housing, Inc. and NAHT XXII Tax Credit Fund, L.P.)
Principals: Karen Dale, David Bowman

Project Financing Information:
Bond Counsel: Kutack Rock, LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Wells Fargo Bank / California Community Reinvestment Corporation
TEFRA Hearing: August 10, 2007

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 81, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Senior / Federally Assisted At-Risk

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
25% (20 units) restricted to 50% or less of area median income households; and
75% (61 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$ 14,240,000
Estimated Hard Costs per Unit:	\$ 42,056 (\$3,406,550/81 units)
Estimated per Unit Cost:	\$ 175,802 (\$14,240,000/81 units)
Allocation per Unit:	\$ 90,123 (\$7,300,000/81 units)
Allocation per Restricted Rental Unit:	\$ 90,123 (\$7,300,000/81 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 7,300,000	\$ 5,354,000
Developer Equity	\$ 906,000	\$ 906,000
LIH Tax Credit Equity	\$ 2,984,000	\$ 4,930,000
Other	<u>\$ 3,050,000</u>	<u>\$ 3,050,000</u>
Total Sources	\$14,240,000	\$14,240,000

Uses of Funds:	
Acquisition Cost	\$ 7,500,000
On-Site & Off-Site Costs	\$ 463,000
Hard Construction Costs	\$ 2,943,550
Architect & Engineering Fees	\$ 100,000
Contractor Overhead & Profit	\$ 235,484
Developer Fee	\$ 1,915,000
Relocation	\$ 75,000
Cost of Issuance	\$ 283,412
Other Soft Costs	<u>\$ 724,554</u>
Total Uses	\$14,240,000

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: 60 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$7,300,000 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	10
Exceeding Minimum Income Restrictions: Non-Mixed Income Project Mixed Income Project	35	15	32
Gross Rents	5	5	0
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	10
Service Amenities	10	10	5
Sustainable Building Methods	8	8	3
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	128	108	60

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.