

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 Sarah Lester.

Applicant: Housing Authority of the County of Los Angeles

Allocation Amount Requested: Tax-exempt \$5,999,000

Project Name: Casa Lucerna Apartment
Project Address: 1025 South Kern Avenue
Project City, County, Zip Code: Unincorporated Los Angeles County, Los Angeles, 90022

The proposed project is located in a Community Revitalization area, more specifically the East Los Angeles Community Plan.

Project Sponsor Information:

Name: Casa Lucerna KBS, LP (Housing Corporation of America and KBS Housing, LLC)
Principals: Carol Cromar, Ronald H. Olson and Thomas L Safran

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: December 11, 2007

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 74, plus 1 manager's unit
Type: Acquisition and Rehabilitation
Type of Units: Senior

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
20% (15 units) restricted to 50% or less of area median income households; and
80% (59 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

Term of Restrictions: 55 years

Estimated Total Development Cost:	\$9,353,909
Estimated Hard Costs per Unit:	\$ 23,220 (\$1,718,250/74 units)
Estimated per Unit Cost:	\$ 126,404 (\$9,353,909/74 units)
Allocation per Unit:	\$ 81,068 (\$5,999,000/74 units)
Allocation per Restricted Rental Unit:	\$ 81,068 (\$5,999,000/74 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$5,999,000	\$5,999,000
Developer Equity	\$1,028,034	\$ 367,386
LIH Tax Credit Equity	\$1,981,942	\$2,642,590
Other (NOI During Constr.)	<u>\$ 344,933</u>	<u>\$ 344,933</u>
Total Sources	\$9,353,909	\$9,353,909
Uses of Funds:		
Acquisition Cost	\$5,662,229	
On-Site & Off-Site Costs	\$ 250,000	
Hard Construction Costs	\$1,468,250	
Architect & Engineering Fees	\$ 25,000	
Contractor Overhead & Profit	\$ 116,000	
Developer Fee	\$1,089,961	
Relocation	\$ 25,000	
Cost of Issuance	\$ 139,338	
Capitalized Interest	\$ 175,471	
Other Soft Costs (Marketing, etc.)	<u>\$ 402,660</u>	
Total Uses	\$9,353,909	

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: 69.9 out of 128
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$5,999,000 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	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]	4.9
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	15	15	15
Site Amenities	10	10	5
Service Amenities	10	10	10
Sustainable Building Methods	8	8	0
New Construction	10	10	0
Negative Points	NA	NA	0
Total Points	128	108	69.9

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.