

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 26, 2011
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Sarah Lester

Applicant: Community and Redvelopment Agency of the City of Los Angeles

Allocation Amount Requested:
Tax-exempt: \$14,000,000

Project Information:
Name: Buckingham Senior Apartments
Project Address: 4020 Buckingham Road
Project City, County, Zip Code: Los Angeles, Los Angeles, 90008

Project Sponsor Information:
Name: Buckingham Senior Apartments, LP (Buckingham Senior Apartments, LLC; Western Community Housing, Inc.; and John M. Huskey)
Principals: John M. Huskey, Kasey Burke, George Russo and Rutzel Castillo (for Buckingham Senior Apartments, LLC), Graham Espley-Jones, Sandra Gibbons, David Connelly and Leanne Truofreh (for Western Community Housing, Inc.)

Project Financing Information:
Bond Counsel: Sidley Austin LLP
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Private Placement Purchaser: Citicorp Municipal Mortgage Inc.
TEFRA Hearing Date: December 27, 2010

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 69, plus 1 manager unit
Type: New Construction
Type of Units: Senior Citizens

Description of Public Benefits:
Percent of Restricted Rental Units in the Project: 100%
100% (69 units) restricted to 50% or less of area median income households.
Unit Mix: 1 & 2 bedrooms

Term of Restrictions:
Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	28,208,314	
Estimated Hard Costs per Unit:	\$	259,263	(\$17,889,120 /69 units)
Estimated per Unit Cost:	\$	408,816	(\$28,208,314 /69 units)
Allocation per Unit:	\$	202,899	(\$14,000,000 /69 units)
Allocation per Restricted Rental Unit:	\$	202,899	(\$14,000,000 /69 restricted units)

The Project has total project costs that appear high for the geographic area in which it is located. According to the Project sponsor, the high cost is due to

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 14,000,000	\$ 900,462
Developer Equity	\$ 1,535,980	\$ 1,225,144
LIH Tax Credit Equity	\$ 1,382,055	\$ 7,082,708
Direct & Indirect Public Funds	\$ 11,290,378	\$ 19,000,000
Total Sources	\$ 28,208,413	\$ 28,208,314

Uses of Funds:	
Land Purchase	\$ 3,551,250
On & Off Site Costs	\$ 1,029,039
Hard Construction Costs	\$ 16,860,081
Architect & Engineering Fees	\$ 584,069
Contractor Overhead & Profit	\$ 579,839
Developer Fee	\$ 2,500,000
Cost of Issuance	\$ 250,000
Capitalized Interest	\$ 360,640
Other Soft Costs	\$ 2,493,396
Total Uses	\$ 28,208,314

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 out of 118
[See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$14,000,000 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 [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	5
Site Amenities	10	10	10
Service Amenities	10	10	10
New Construction	10	10	10
Sustainable Building Methods	8	8	0
Negative Points	-10	-10	0
Total Points	118	98	95

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.