



Housing Development Bureau

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Eric Garcetti, Mayor
Rushmore D. Cervantes, Interim General Manager

June 27, 2014

Council File: 14-0728
Council District: 8,9
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Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall
200 North Spring Street
Los Angeles, CA 90012

Honorable Members of the City Council
City of Los Angeles
c/o City Clerk
200 North Spring Street, Room 395
Los Angeles, CA 90012

Attn: Mandy Morales, Legislative Coordinator

Attn: Richard Williams, Legislative Assistant

Amended Issuance of Tax-Exempt Multi-Family Conduit Revenue Bonds Transmittal

The Los Angeles Housing + Community Investment Department (HCIDLA) previously submitted a transmittal dated June 24, 2014 (Council File 14-0728) with attached Resolutions authorizing the issuance of tax-exempt bonds and attached Staff Reports, which include information such as description of proposed project, public benefit and affordability matrix, description of ownership entities, and bond sale structure. It was later determined that the Staff Reports must be revised in order to further describe and clarify the bond sale structure. Attached are the revised Staff Reports (6), which are consistent with the bond deal terms for these six affordable housing developments.

The revised Staff Reports replace the staff reports previously submitted.

Approved By:

A handwritten signature in black ink, appearing to read "Rushmore D. Cervantes".

RUSHMORE D. CERVANTES
Interim General Manager

STAFF REPORT
June 23, 2014

**Central Avenue Village Square
Acquisition and Rehabilitation
Council District No: 9**

SUMMARY

The subject site is located at 1060 E. 53rd Street, Los Angeles, CA 90011 in the 9th Council District. The proposed project entails the acquisition and rehabilitation of 45 units. The existing complex will continue to provide affordable housing for families. Amenities include a community building, security gates, picnic areas, site management and laundry facilities.

AFFORDABILITY

Unit Type	35% AMI	50% AMI	60% AMI	Mgr.	Total
1 Bedroom	1	2	3		6
2 Bedroom	6	8	4		18
3 Bedroom	3	3	5	1	12
4 Bedroom	2	3	1		6
5 Bedroom		1	2		3
Total	12	17	15	1	45

Pursuant to the Bond Regulatory Agreement to be executed in connection with the issuance of the tax-exempt bonds, the above referenced restrictions will have a term of not less than the longer of: (i) 15 years after 50% of the units are first occupied, (ii) the date such bond is paid in full, or (iii) the date on which any Section 8 assistance terminates, if applicable. In addition, CDLAC's resolution and rental income restrictions will be in place for at least 55 years. Also, because the Project will receive 4% Low Income Housing Tax Credits the subject units will also be restricted, via separate agreement, for a minimum of 55 years.

DEVELOPMENT TEAM

The Project Borrower/Sponsor is Central Avenue Village Square Preservation, L.P. (CAVSP). The General Partner and Developer is Concerned Citizens of South Central L.A. (CCSCLA), a nonprofit organization. The Co-Developer is CP Preservation Housing, LLC (CPPH), a limited liability company. The tax credit equity investor is Hunt Capital Partners, LLC (HCP). The principals of CCSCLA are Noreen McClendon Vice-President and Executive Director; Robin Cannon, President and Tashawna McSwain, Secretary. The principal of CPPH is Alejandro Lara, Chief Operating Officer. The principal of HCP is Dana Mayo, Senior Vice-President. The General Contractor is SHANGRI-LA Construction.

The developer has 13 years of experience in the development of multifamily rental housing and has developed over 5 projects in California resulting in a total of approximately 346 housing units.

FINANCIAL STRUCTURE

The bonds will be privately placed and purchased by Boston Private Bank & Trust Company. The bonds are unenhanced and unrated but will be subject to the Policies' denomination and sale provisions. The bonds will be issued under an indenture and the proceeds loaned to the borrower under a construction loan agreement. The construction loan will be in the amount of \$6,375,000 at a variable interest rate

equal to 80% Federal Home Loan Classic Advance 1 month Regular Advance Rate. A Letter of Credit (LOC) from East West Bank, secures the borrower's obligation to purchase the bonds as tendered by Boston Private Bank under the loan agreement. The LOC is not held by the Trustee and does not secure payment of the principal of and interest on the bond. The LOC secures a put right held by Boston Private Bank should the loan not convert to permanent status. The permanent loan will be in the amount of \$3,106,212, at a rate of 4.40% for a term of 18 years and amortized over 35 years.

Other permanent sources will include an existing HCID loan in the approximate amount of \$5,373,145 which will be assigned to the new ownership structure. The project will also use 4% tax credits and developer equity

SOURCES AND USES:

Construction	Total Sources	Per Unit	% Total
Tax-Exempt Bonds (Boston)	\$6,375,000.00	\$141,667	49%
Developer Equity	\$960.00	\$21	1%
LP Equity	\$476,506.00	\$10,589	3%
LA CRA/ HCID Loan	\$5,373,145.71	119,403	42%
Deferred Developer Fee	\$730,768.29	\$16,239	5%
TOTAL	\$12,956,380.00	\$287,919	100%

Permanent	Total Sources	Per Unit	% Total
Tax-Exempt Bonds (Boston)	\$3,106,212.38	\$69,027	24%
Developer Equity	\$133,933.69	\$2,976	1%
LP Equity	\$3,787,771.22	\$84,173	29%
LA CRA/ HCID Loan	\$5,373,145.71	\$119,403	42%
Deferred Developer Fee	\$555,317.00	\$12,340	4%
TOTAL	\$12,956,380.00	\$287,919	100%

Uses of Funds	Total Uses	Cost/Unit
Acquisition Costs	\$7,250,000.00	\$161,111
Construction Costs	\$2,065,524.00	\$45,901
Architecture & Engineering Costs	\$150,000.00	\$3,333
Contractor Overhead & Profit	\$153,500.00	\$3,411
Developer Fee	\$1,461,537.23	\$32,479
Relocation Costs	\$56,250.00	\$1,249
Cost of Issuance Fees	\$553,861.00	\$12,308
Capitalized Interest	\$127,021.66	\$2,823
Other Soft Costs	\$1,138,686.11	\$25,304
TOTALS	\$12,956,380.00	\$287,919

STAFF REPORT
June 30, 2014

One Wilkins Place
Acquisition and Rehabilitation
Council District No: 9

SUMMARY

The subject site is located at 1071 E. 48th Street, Los Angeles, CA 90011 in the 9th Council District. The proposed project entails the rehabilitation of a three-story building, totaling 18-units including one manager's unit with two commercial spaces. The existing project will continue to provide affordable housing for very, very low to low income families. Amenities include a lobby, elevator, unit kitchen, office, outside common area/landscaping, laundry, central air conditioning, and an intercom entry system. The project contains 35 parking spaces.

Affordability Restrictions

UNIT TYPE	35% AMI	50% AMI	60% AMI	Manager	TOTAL
2 bedroom	3	3	3		9
3 bedroom	2	4	2	1	9
TOTAL	5	7	5	1	18

Pursuant to the Bond Regulatory Agreement to be executed in connection with the issuance of the tax-exempt bonds, the above referenced restrictions will have a term of not less than the longer of: (i) 15 years after 50% of the units are first occupied, (ii) the date such bond is paid in full, or (iii) the date on which any Section 8 assistance terminates, if applicable. In addition, CDLAC's resolution and rental income restrictions will be in place for at least 55 years. Also, because the Project will receive 4% Low Income Housing Tax Credits the subject units will also be restricted, via separate agreement, for a minimum of 55 years.

Development Team

The Project Borrower/Sponsor is One Wilkins Place Preservation, L.P. The General Partner is Concerned Citizens of South Central Los Angeles (CCSCLA). The principals of CCSCLA are Robin Cannon, President; Noreen McClendon, Vice-President and Executive Director; and Tashawna McSwain, Secretary. Tax credit equity investor is Hunt Capital Partners, LLC, and General Contractor is Shangri-La Construction.

The Co-Developer is CCSCLA, a nonprofit corporation under Section 501c3. CCSCLA has 20 years of experience in the development of multifamily rental housing and has developed 11 projects in California resulting in a total of approximately 351 housing units. The other Co-Developer is CP Housing Preservation, LLC (CPHP), a limited liability company. CPHP has 13 years of experience in the development of multifamily rental housing and has developed 6 projects in California and a total of approximately 634 housing units.

Financial Structure

The bonds will be privately placed by Boston Private Bank & Trust Company. The bonds are unenhanced and unrated but will be subject to the Policies' denomination and sale provisions. The bonds will be issued under an indenture and the proceeds loaned to the borrower under a construction loan agreement. The construction loan will be in the amount of \$2,750,000 at a rate of 2.20% for an 18 months term. A letter of Credit (LOC) from East West Bank, secures the borrower's obligation to purchase the bonds as tendered by Boston Private Bank under the loan agreement. The LOC is not held by the Trustee and does not secure payment of the principal of and interest on the bond. The LOC secures a put right held by Boston Private Bank should the loan not convert to permanent status. The permanent loan will be in the amount of \$1,218,887, at the rate of 4.40% fixed at the time of loan documentation based on an index rate at that time for a term of 35 years and an 18 year call.

Other permanent sources will include an existing HCID loan in the approximate amount of \$1,429,949 (principal plus accrued interest), which will be assigned to the new ownership structure. The project will also use 4% tax credits, developer equity, operating cash flow and an existing State HCD loan.

Sources and Uses:

Construction	Total Sources	Per Unit	% Total
Tax-Exempt Bonds	\$2,750,000.00	\$152,778.00	45%
HCIDLA loan with accrued interest	\$1,429,949.00	\$79,442.00	24%
HCD loan with accrued interest	\$1,299,540.00	\$72,197.00	21%
LP Equity	\$261,027.00	\$14,502.00	4%
Deferred Developer fee	\$347,042.00	\$19,279.00	6%
TOTAL	\$6,087,558.00	\$338,198.00	100%

Permanent	Total Sources	Per Unit	% Total
Tax-Exempt Bonds	\$1,218,887.00	\$67,717.00	20%
HCIDLA loan with accrued interest	\$1,429,949.00	\$79,441.00	24%
HCD loan with accrued interest	\$1,299,540.00	\$72,196.00	21%
Developer Equity - NOI	\$52,179.00	\$2,899.00	1%
Deferred Developer Fee	\$333,000.00	\$18,500.00	5%
LP Equity	\$1,754,003.00	\$97,445.00	29%
TOTAL	\$6,087,558.00	\$338,198.00	100%

Uses of Funds	Total Uses	Cost/Unit
Acquisition Costs	\$3,889,000.00	\$216,056
Construction Costs	\$783,464.00	\$43,526
Arch., Eng. Costs	\$26,000.00	\$1,444
Contractor O/P	\$58,450.00	\$3,247
Cost of Issuance	\$257,739.00	\$14,319
Relocation	\$22,500.00	\$1,250
Capitalized Interest	\$43,798.00	\$2,433
Developer Fee	\$694,085.00	\$38,561
Other Soft Costs	\$312,522.00	\$17,362
TOTALS	\$6,087,558.00	\$338,198

STAFF REPORT
June 30, 2014

Roberta Stephens Villas I & II
Acquisition and Rehabilitation
Council District No: 9

SUMMARY

The subject site is located at 1035 & 1113 East 27th Street, Los Angeles, CA 90011 in the 9th Council District. The proposed project entails the rehabilitation of an existing two 4-level apartment buildings totaling 40-unit residential building including one manager's unit. Roberta Stephens Villa I contains 23 units and Roberta Stephens Villa II contains 17 units. Project will serve very, very low to low income families. Amenities include a lobby, elevator, unit kitchen, office, central courtyard, laundry rooms, and 40 subterranean parking spaces.

Affordability Restrictions

UNIT TYPE	35% AMI	60% AMI	Manager	TOTAL
2 bedroom	10	11	1	22
3 bedroom	12	6	0	18
TOTAL	22	17	1	40

Pursuant to the Bond Regulatory Agreement to be executed in connection with the issuance of the tax-exempt bonds, the above referenced restrictions will have a term of not less than the longer of: (i) 15 years after 50% of the units are first occupied, (ii) the date such bond is paid in full, or (iii) the date on which any Section 8 assistance terminates, if applicable. In addition, CDLAC's resolution and rental income restrictions will be in place for at least 55 years. Also, because the Project will receive 4% Low Income Housing Tax Credits the subject units will also be restricted, via separate agreement, for a minimum of 55 years.

Development Team

The Project Borrower/Sponsor is One Wilkins Place Preservation, L.P. The General Partner is Concerned Citizens of South Central Los Angeles (CCSCLA). The principals of CCSCLA are Robin Cannon, President; Noreen McClendon, Vice-President and Executive Director; and TashawnaMcSwain, Secretary. Tax credit equity investor is Hunt Capital Partners, LLC, and General Contractor is Shangri-La Construction.

The Co-Developer is CCSCLA, a nonprofit corporation under Section 501C3. CCSCLA has 20 years of experience in the development of multifamily rental housing and has developed 11 projects in California resulting in a total of approximately 351 housing units. The other Co-Developer is CP Housing Preservation, LLC (CPHP), a limited liability company. CPHP has 13 years of experience in the development of multifamily rental housing and has developed 6 projects in California and a total of approximately 634 housing units.

Financial Structure

The bonds will be privately placed by Boston Private Bank & Trust Company. The bonds are unenhanced and unrated but will be subject to the Policies' denomination and sale provisions. The bonds will be issued under an indenture and the proceeds loaned to the borrower under a construction loan agreement. The construction loan will be in the amount of \$5,000,000 at a rate of 2.20% for an 18 months term. A letter of Credit (LOC) from East West Bank, secures the borrower's obligation to purchase the bonds as tendered by Boston Private Bank under the loan agreement. The LOC is not held by the Trustee and does not secure payment of the principal of and interest on the bond. The LOC secures a put right held by Boston Private Bank should the loan not convert to permanent status. The permanent loan will be in the amount of \$2,224,534, at the rate of 4.40% fixed at the time of loan documentation based on an index rate at that time for a term of 35 years and an 18 year call.

Other permanent sources will include an existing HCID loan in the approximate amount of \$1,723,388 (principal plus accrued interest), which will be assigned to the new ownership structure. The project will also use 4% tax credits, developer equity, operating cash flow and an existing State HCD loan.

Sources and Uses:

Construction	Total Sources	Per Unit	% Total
Tax-Exempt Bonds	\$5,000,000.00	\$125,000.00	41%
HCIDLA loan with accrued interest	\$1,723,388.00	\$40,085.00	14%
HCD loanwithaccruedinterest	\$2,226,000.00	\$55,650.00	18%
RHCP Loanwithaccruedinterest	\$2,371,036.00	\$59,276.00	19%
LP Equity	\$288,453.00	\$7,211.00	3%
DeferredDeveloperfee	\$612,248.00	\$15,306.00	5%
DeveloperEquity	\$5,678.00	\$142.00	0%
TOTAL	\$12,226,803.00	\$305,670.00	100%

Permanent	Total Sources	Per Unit	% Total
Tax-Exempt Bonds	\$2,224,535.00	\$55,613.00	18%
HCIDLA loan with accruedinterest	\$1,723,387.00	\$43,085.00	15%
HCD loanwithaccruedinterest	\$2,226,000.00	\$55,650.00	18%
RHCP Loanwithaccruedinterest	\$2,371,036.00	\$59,276.00	19%
LP Equity	\$3,155,289.00	\$78,882.00	26%
DeveloperEquity	\$101,556.00	\$2,539.00	1%
DeferredDeveloperFee	\$425,000.00	\$10,625.00	3%
TOTAL	\$12,226,803.00	\$305,670.00	100%

Uses of Funds	Total Uses	Cost/Unit
Acquisition Costs	\$7,723,000.00	\$193,075.00
Construction Costs	\$1,680,050.00	\$42,001.00
Arch., Eng. Costs	\$150,000.00	\$3,750.00
Contractor O/P	\$121,905.00	\$3,048.00
Cost of Issuance	\$492,763.00	\$12,319.00
Relocation	\$56,250.00	\$1,406.00
Capitalized Interest	\$87,310.00	\$2,183.00
Developer Fee	\$1,224,497.00	\$30,612.00
Other Soft Costs	\$691,028.00	\$17,276.00
TOTALS	\$12,226,803.00	\$305,670.00

STAFF REPORT
June 30, 2014

Juanita Tate Legacy Towers
Acquisition and Rehabilitation
Council District No: 9

SUMMARY

The subject site is located at 4827 South Central Avenue, Los Angeles, CA 90011 in the 9th Council District. The proposed project entails the rehabilitation of a twelve-story elevator-equipped building, totaling 118 units including one manager's unit. The existing project will continue to operate under the HUD Project Based Voucher program to low income seniors (62 or older). Amenities in a community building include a wall air conditioning, refrigerator, disposal, window blinds, intercom entry, picnic area, laundry, security gate, and gazebo/patio area. The project contains 59 parking spaces.

Affordability Restrictions

UNIT TYPE	60% AMI	Manager	TOTAL
0 bedroom	73	1	74
1 bedroom	44		44
TOTAL	117	1	118

Pursuant to the Bond Regulatory Agreement to be executed in connection with the issuance of the tax-exempt bonds, the above referenced restrictions will have a term of not less than the longer of: (i) 15 years after 50% of the units are first occupied, (ii) the date such bond is paid in full, or (iii) the date on which any Section 8 assistance terminates, if applicable. In addition, CDLAC's resolution and rental income restrictions will be in place for at least 55 years. Also, because the Project will receive 4% Low Income Housing Tax Credits the subject units will also be restricted, via separate agreement, for a minimum of 55 years.

Development Team

The Project Borrower/Sponsor is Juanita Tate Legacy Preservation, L.P. The General Partner is Concerned Citizens of South Central Los Angeles (CCSCLA). The principals of CCSCLA are Robin Cannon, President; Noreen McClendon, Vice-President and Executive Director; and Tashawna McSwain, Secretary. Tax credit equity investor is WNC & Associates, and General Contractor is Shangri-La Construction.

The Co-Developer is CCSCLA, a nonprofit corporation under Section 501C3. CCSCLA has 20 years of experience in the development of multifamily rental housing and has developed 11 projects in California resulting in a total of approximately 351 housing units. The other Co-Developer is CP Housing Preservation, LLC (CPHP), a limited liability company. CPHP has 13 years of experience in the development of multifamily rental housing and has developed 6 projects in California and a total of approximately 634 housing units.

Financial Structure

The construction financing for the project will be financed by a combination of tax-exempt bonds, 4% tax credit equity, direct and indirect public funds, developer equity, and a deferral of a portion of the developer fee. The tax exempt bonds are expected to be fixed rate bonds and will be private placement to be purchased by BBCN Bank in the amount of \$17,125,000 at a rate of 1% over WS prime with 4.40% floor rate with a term of 24 months subject to any extension option.

The permanent financing for the project will be financed by BBCN Bank in the amount of \$10,291,153 at the rate of 4.40% fixed and a DCR of 1.15 with a term of thirty five years from bond closing with an 18 year call. HCIDLA loan (principal and accrued interest) will be fully paid at closing. Other permanent sources will include an existing State HCD loan, a 4% tax credits, developer equity, operating cash flow, and lastly, deferred developer fee which will be paid entirely from available cash flow.

Sources and Uses:

Construction	Total Sources	Per Unit	% Total
Tax-Exempt Bonds	\$17,125,000.00	\$145,127.00	71%
Developer Equity	\$323,736.00	\$2,744.00	1%
Tax Credit Equity	\$1,634,009.00	\$13,848.00	7%
AHP	\$472,000.00	\$4,000.00	2%
Seller Note	\$2,866,754.00	\$8,537.00	3%
Deferred Developer fee	\$1,875,000.00	\$15,890.00	8%
TOTAL	\$24,296,499.00	\$205,904.00	100%

Permanent	Total Sources	Per Unit	% Total
Tax-Exempt Bonds	\$10,291,153.00	\$87,213.00	42%
AHP	\$472,000.00	\$4,000.00	2%
Developer Equity - NOI	\$875,297.00	\$7,418.00	4%
Seller Note	\$2,866,754.00	\$8,537.00	3%
Deferred Developer Fee	\$1,250,000.00	\$10,594.00	5%
LP Equity	\$8,541,295.00	\$72,384.00	36%
TOTAL	\$24,296,499.00	\$205,904.00	100%

Uses of Funds	Total Uses	Cost/Unit
Acquisition Costs	\$16,000,000.00	\$
Construction Costs	\$5,055,919.00	\$
Arch., Eng. Costs	\$150,000.00	\$
Contractor O/P	\$371,838.00	\$
Cost of Issuance	\$542,292.00	\$
Relocation	\$147,500.00	\$
Capitalized Interest	\$580,000.00	\$
Developer Fee	\$0.00	\$
Other Soft Costs	\$0.00	\$
TOTALS	\$24,296,498.00	\$

STAFF REPORT

June 23, 2014

Figueroa Senior Housing Acquisition and Rehabilitation Council District No: 9

SUMMARY

The subject site is located at 5503 S. Figueroa Street, Los Angeles, CA 90037 in the 9th Council District. The proposed project entails the acquisition and rehabilitation of 66 units. The existing complex will continue to provide affordable housing for seniors. Amenities include a community building, security gates, onsite management and laundry facilities.

AFFORDABILITY

Unit Type	40% AMI	Mgr.	Total
0 Bedroom	65	1	66
Total	65	1	66

Pursuant to the Bond Regulatory Agreement to be executed in connection with the issuance of the tax-exempt bonds, the above referenced restrictions will have a term of not less than the longer of: (i) 15 years after 50% of the units are first occupied, (ii) the date such bond is paid in full, or (iii) the date on which any Section 8 assistance terminates, if applicable. In addition, CDLAC's resolution and rental income restrictions will be in place for at least 55 years. Also, because the Project will receive 4% Low Income Housing Tax Credits the subject units will also be restricted, via separate agreement, for a minimum of 55 years.

DEVELOPMENT TEAM

The Project Borrower/Sponsor is Figueroa Senior Housing Preservation, L.P. (FSHP). The General Partner and Developer is Figueroa Economical Housing Development Corporation (FEHD), a nonprofit corporation. The Co-Developer is CP Preservation Housing, LLC (CPPH), a limited liability company. The tax credit equity investor is Hunt Capital Partners, LLC (HCP). The principal of FSHP is Charles Cline, Executive Director. The principal of (CPPH) is Alejandro Lara, Chief Operating Officer. The principal of HCP is Dana Mayo, Senior Vice-President. The General Contractor is SHANGRI-LA Construction.

The developer has 13 years of experience in the development of multifamily rental housing and has developed over 5 projects in California resulting in a total of approximately 346 housing units.

FINANCIAL STRUCTURE

The bonds will be privately placed and purchased by Boston Private Bank & Trust Company. The bonds are unenhanced and unrated but will be subject to the Policies' denomination and sale provisions. The bonds will be issued under an indenture and the proceeds loaned to the borrower under a construction loan agreement. The construction loan will be in the amount of \$ 4,000,000 at a variable interest rate equal to 80% Federal Home Loan Classic Advance 1 month Regular Advance Rate. A Letter of Credit (LOC) from East West Bank, secures the borrower's obligation to purchase the bonds as tendered by Boston Private Bank under the loan agreement. The LOC is not held by the Trustee and does not secure

payment of the principal of and interest on the bond. The LOC secures a put right held by Boston Private Bank should the loan not convert to permanent status. The permanent loan will be in the amount of \$2,309,497, at a rate of 4.40 % for a term of 18 years and amortized over 35 years.

Other permanent sources will include an existing HCID loan in the approximate amount of \$4,221,257 which will be assigned to the new ownership structure. The project will also use 4% tax credits, developer equity and operating cash flow.

SOURCES AND USES:

Construction	Total Sources	Per Unit	% Total
Tax-Exempt Bonds (Boston)	\$4,000,000.00	\$60,606	41%
Developer Equity	\$130,737.00	\$1,981	1%
LP Equity	\$882,928.00	\$13,378	9%
HCID Loan	\$4,221,257.97	\$63,958	44%
Deferred Developer Fee	\$481,002.94	\$7,288	5%
TOTAL	\$9,715,925.91	\$147,211	100%

Permanent	Total Sources	Per Unit	% Total
Tax-Exempt Bonds (Boston)	\$2,309,497.68	\$34,993	23%
Developer Equity	\$229,603.77	\$3,479	2%
LP Equity	\$2,483,066.49	\$37,622	26%
HCID Loan	\$4,221,257.97	\$63,958	44%
Deferred Developer Fee	\$472,500.00	\$7,159	5%
TOTAL	\$9,715,925.91	\$147,211	100%

Uses of Funds	Total Uses	Cost/Unit
Acquisition Costs	\$6,139,000.00	\$93,015
Construction Costs	\$1,260,368.00	\$19,096
Architecture & Engineering Costs	\$130,000.00	\$1,970
Contractor Overhead & Profit	\$92,632.00	\$1,404
Developer Fee	\$962,005.62	\$14,576
Relocation Costs	\$82,500.00	\$1,250
Cost of Issuance Fees	\$427,410.90	\$6,476
Capitalized Interest	\$92,479.58	\$1,401
Other Soft Costs	\$529,529.81	\$8,023
TOTALS	\$9,715,925.91	\$147,211

STAFF REPORT
June 23, 2014

**Normandie Senior Housing
Acquisition and Rehabilitation
Council District No: 8**

SUMMARY

The subject site is located at 6301 S. Normandie, Los Angeles, CA 90044 in the 8th Council District. The proposed project entails the acquisition and rehabilitation of 75 units. The existing complex will continue to provide affordable housing for seniors. Amenities include a community building, security gates, onsite management and laundry facilities.

AFFORDABILITY

Unit Type	40% AMI	Mgr.	Total
0 Bedroom	74	1	75
Total	74	1	75

Pursuant to the Bond Regulatory Agreement to be executed in connection with the issuance of the tax-exempt bonds, the above referenced restrictions will have a term of not less than the longer of: (i) 15 years after 50% of the units are first occupied, (ii) the date such bond is paid in full, or (iii) the date on which any Section 8 assistance terminates, if applicable. In addition, CDLAC's resolution and rental income restrictions will be in place for at least 55 years. Also, because the Project will receive 4% Low Income Housing Tax Credits the subject units will also be restricted, via separate agreement, for a minimum of 55 years.

DEVELOPMENT TEAM

The Project Borrower/Sponsor is Normandie Senior Housing Preservation, L.P. (NSHP). The General Partner and Developer is Normandie Non-Profit Housing, Inc. (NNH), a nonprofit corporation. The Co-Developer is CP Preservation Housing, LLC (CPPH), a limited liability company. The tax credit equity investor is Hunt Capital Partners, LLC (HCP). The principals of NSHP are Herbert Marshall, Board Chairman and William Lockert, Executive Director. The principal of (CPPH) is Alejandro Lara, Chief Operating Officer. The principal of HCP is Dana Mayo, Senior Vice-President. The General Contractor is SHANGRI-LA Construction.

The developer has 13 years of experience in the development of multifamily rental housing and has developed over 5 projects in California resulting in a total of approximately 346 housing units.

FINANCIAL STRUCTURE

The bonds will be privately placed and purchased by Boston Private Bank & Trust Company. The bonds are unenhanced and unrated but will be subject to the Policies' denomination and sale provisions. The bonds will be issued under an indenture and the proceeds loaned to the borrower under a construction loan agreement. The construction loan will be in the amount of \$4,375,000 at a variable interest rate equal to 80% Federal Home Loan Classic Advance 1 month Regular Advance Rate. A Letter of Credit (LOC) from East West Bank, secures the borrower's obligation to purchase the bonds as tendered by Boston Private Bank under the loan agreement. The LOC is not held by the Trustee and does not secure payment of the principal of and interest on the bond. The LOC secures a put right held by Boston Private

Bank should the loan not convert to permanent status. The permanent loan will be in the amount of \$2,647,015, at a rate of 4.40 % for a term of 18 years and amortized over 35 years.

Other permanent sources will include an existing HCID loan in the approximate amount of \$5,280,806 which will be assigned to the new ownership structure. The project will also use 4% tax credits, developer equity and operating cash flow.

SOURCES AND USES:

Construction	Total Sources	Per Unit	% Total
Tax-Exempt Bonds (Boston)	\$4,375,000.00	\$58,333	37%
Developer Equity	\$97,186.00	\$1,296	1%
LP Equity	\$1,072,163.00	\$14,296	9%
HCID Loan	\$5,820,806.40	\$77,611	49%
Deferred Developer Fee	\$520,978.88	6,946	4%
TOTAL	\$11,886,134.28	\$158,482	100%

Permanent	Total Sources	Per Unit	% Total
Tax-Exempt Bonds (Boston)	\$2,647,015.81	\$35,294	23%
Developer Equity	\$210,501.50	\$2,806	1%
LP Equity	\$2,700,310.57	\$36,004	23%
HCID Loan	\$5,820,806.40	\$77,611	49%
Deferred Developer Fee	\$507,500.00	\$6,767	4%
TOTAL	\$11,886,134.28	\$158,482	100%

Uses of Funds	Total Uses	Cost/Unit
Acquisition Costs	\$7,670,000.00	\$102,267
Construction Costs	\$1,433,337.00	\$19,096
Architecture & Engineering Costs	\$150,000.00	\$2,000
Contractor Overhead & Profit	\$105,263.00	\$1,404
Developer Fee	\$1,041,958.45	\$13,893
Relocation Costs	\$93,750.00	\$1,250
Cost of Issuance Fees	\$444,768.70	\$5,930
Capitalized Interest	\$104,172.00	\$1,389
Other Soft Costs	\$843,985.13	\$11,253
TOTALS	\$11,886,134.28	\$158,482