

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
December 13, 2017  
Staff Report  
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A  
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Louise Eller

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**Applicant:** City of Los Angeles

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

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**Project Information:**  
**Name:** McCadden Plaza Youth Housing Apartments  
**Project Address:** 1119 N McCadden Place  
**Project City, County, Zip Code:** Los Angeles, Los Angeles, 90038

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**Project Sponsor Information:**  
**Name:** McCadden Plaza, L.P. (McCadden Campus LLC, an affiliate of the Los Angeles LGBT and McCadden Plaza Affordable Housing, LLC, an affiliate of Thomas Safran & Associates Development, Inc. Center)  
**Principals:** Lorri L. Jean, Davis Bailey and Darrell Cummings for McCadden Campus LLC, an affiliate of the Los Angeles LGBT Center; Thomas L. Safran, Andrew Gross and Jordan Pynes for McCadden Plaza Affordable Housing, LLC, an affiliate of Thomas Safran & Associates Development, Inc.  
**Property Management Company:** Thomas Safran & Associates, Inc.

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**Project Financing Information:**  
**Bond Counsel:** Kutak Rock LLP  
**Private Placement Purchaser:** Wells Fargo Bank, N.A. (construction only)  
**Cash Flow Permanent Bond:** Not Applicable  
**Public Sale:** Not Applicable  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Rating:** Not Applicable  
**TEFRA Noticing Date:** October 7, 2017  
**TEFRA Adoption Date:** November 7, 2017

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**Description of Proposed Project:**  
**State Ceiling Pool:** General  
**Total Number of Units:** 26  
**Manager's Units:** 1 Unrestricted  
**Type:** New Construction  
**Population Served:** Family/Special Needs

McCadden Plaza Youth Housing Apartments is a new construction project located in Los Angeles on a 0.17-acre site. The project consists of 25 restricted rental units and 1 unrestricted manager's unit. The project will have 25 studio units and 1 one-bedroom unit. The building will be a modern four story building. Common amenities include a community space, a room for services and laundry facilities. Each unit will have a refrigerator, oven, stove, carpet, window coverings, air conditioning, heating and cable and internet hook-ups. The project will be pursuing LEED certification. The construction is expected to begin April 2018 and be completed in July 2019.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
100% (25 units) restricted to 50% or less of area median income households.  
**Unit Mix:** Studio & 1 bedroom

The proposed project will be providing service amenities.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 11,948,164	
<b>Estimated Hard Costs per Unit:</b>	\$ 194,411	(\$5,054,681 /26 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 459,545	(\$11,948,164 /26 units including mgr. units)
<b>Allocation per Unit:</b>	\$ 269,231	(\$7,000,000 /26 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 280,000	(\$7,000,000 /25 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 7,000,000	\$ 0
Taxable Proceeds	\$ 0	\$ 1,000,000
LIH Tax Credit Equity	\$ 102,204	\$ 3,237,036
Deferred Developer Fee	\$ 1,202,662	\$ 267,830
Land Contribution	\$ 1,425,000	\$ 1,425,000
FHLB - AHP Funds	\$ 500,000	\$ 500,000
HCID-LA HHH Funds	\$ 1,718,298	\$ 5,018,298
HCID-LA HOME Funds	\$ 0	\$ 500,000
Total Sources	\$ 11,948,164	\$ 11,948,164

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 1,602,101
New Construction	\$ 5,641,502
Contractor Overhead & Profit	\$ 266,589
Architectural Fees	\$ 313,668
Survey and Engineering	\$ 241,000
Construction Interest and Fees	\$ 578,564
Permanent Financing	\$ 52,444
Legal Fees	\$ 125,500
Reserves	\$ 146,776
Appraisal	\$ 7,349
Hard Cost Contingency	\$ 611,001
Local Development Impact Fees	\$ 65,564
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 991,254
Developer Costs	\$ 1,304,852
Total Uses	\$ 11,948,164

**Analyst Comments:**

None

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**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.

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**Total Points:**

89 out of 140 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$7,000,000 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
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Gross Rents	5	5	0
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	5
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	9
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
<b>Total Points</b>	<b>140</b>	<b>120</b>	<b>89</b>