

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 21, 2016
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: City of Los Angeles

Allocation Amount Requested:
Tax-exempt: \$22,000,000

Project Information:
Name: Rolland Curtis West Apartments
Project Address: 1077 W 38th Street
Project City, County, Zip Code: Los Angeles, Los Angeles, 90037

Project Sponsor Information:
Name: Rolland Curtis West, L.P.(Rolland Curtis West, LLC)
Principals: Robin Hughes, Rick Saperstein, Holly Benson, Luz Soto, Lara Regus, Gio Aliano, and Karl Lauff, for Rolland Curtis West, LLC
Property Management Company: Abode Communities

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: Wells Fargo Bank, N.A. (construction) / California Communities Reinvestment Corporation (permanent)
Public Sale: Not Applicable
Underwriter: Not Applicable
TEFRA Noticing Date: July 21, 2016
TEFRA Adoption Date: August 4, 2016

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

Rolland Curtis West is one of three wings of Rolland Curtis Gardens. It will have 70 residential units. The project is approximately .7 acres in size. The City of Los Angeles is requiring Rolland Curtis Gardens West to provide 57 parking spaces, which amounts to approximately .8 spaces per unit of housing. In addition, the City is requiring bike parking for 70 bikes, which is also located in the garage. The mix of units includes one, two and three bedrooms apartments with balconies and windows oriented toward public spaces to provide a visual connection and a sense of community. The parking area at ground level is screened from the street view by common-use spaces along 38th Street to the South, Wisconsin Avenue to the East and the commercial strip to the North. The West edge of the project abuts existing residential areas. It is anticipated the start of construction will be December 2016, and the completion in August 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
70% (48 units) restricted to 50% or less of area median income households.
30% (21 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

The proposed project will not be providing service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	32,348,724	
Estimated Hard Costs per Unit:	\$	232,566	(\$16,047,055 /69 units)
Estimated per Unit Cost:	\$	462,125	(\$32,348,724 /70 units including mngr units)
Allocation per Unit:	\$	318,841	(\$22,000,000 /69 units)
Allocation per Restricted Rental Unit:	\$	318,841	(\$22,000,000 /69 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 22,000,000	\$ 2,687,300
Limited Partners Equity	\$ 1,060,721	\$ 0
Developer Equity	\$ 0	\$ 11,255,079
Deferred Developer Fee	\$ 2,109,553	\$ 2,109,553
Deferred Costs	\$ 566,700	\$ 0
Itemized Public Funds Sources	\$ 6,611,750	\$ 16,296,792
Total Sources	\$ 32,348,724	\$ 32,348,724

Uses of Funds:	
Land Cost/Acquisition	\$ 5,210,221
Relocation	\$ 505,000
New Construction	\$ 16,335,460
Contractor Overhead	\$ 385,329
Architectural Fees	\$ 801,640
Survey and Engineering	\$ 133,499
Construction Interest and Fees	\$ 1,782,749
Permanent Financing	\$ 15,000
Legal Fees	\$ 145,000
Reserves	\$ 226,553
Appraisal	\$ 10,560
Local Development Impact Fees	\$ 290,000
Contingency Cost	\$ 1,735,866
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,445,294
Developer Costs	\$ 3,326,553
Total Uses	\$ 32,348,724

Analyst Comments:

None

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 140

[See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$22,000,000 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	5
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	5	5	5
Site Amenities	10	10	5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	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.