

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: \$6,350,000

Project Information:
Name: New Park Place Apartments
Project Address: 2500 West 4th Street
Project City, County, Zip Code: Los Angeles, Los Angeles, 90057

Project Sponsor Information:
Name: To Be Formed L.P. (Park Place Terrace Repurchase, LLC)
Principals: Robin Hughes, Rick Saperstein, Holly Benson, Luz Soto, Lara Regus, Gio Aliano, and Karl Lauff, for Park Place Terrace Repurchase, LLC
Property Management Company: Abode Communities

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: MUFG Union Bank (construction) / California Communities Reinvestment Corporation (permanent)
Public Sale: Not Applicable
Underwriter: Not Applicable
TEFRA Noticing Date: February 25, 2016
TEFRA Adoption Date: March 29, 2016

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 48, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

New Park Place is an existing 49-unit family development, located in the Westlake area of Los Angeles. The project consists of 2 separate buildings that are interconnected by pathways and elevated walkways. Building B steps up a gradual slope behind Building A. New Park Place consists of 2 three-story wood-framed buildings designed around central courtyards. The project has two laundry rooms, one in each building, a community room and a two story parking structure below the units in building A. The unit amenities include refrigerator, stove/oven, garbage disposals, individual hot water heaters, patio/balcony, and window coverings. The rehabilitation will focus on significant upgrades to the exterior and outdoor areas including: ADA/accessibility upgrades to units as well as outdoor walkways, energy efficient windows, parking structure upgrades, exterior paint, replacement of gutters/downspouts, and landscaping/irrigation upgrades. Renovations are expected to begin in December 2016 and will take approximately 13 months for completion in January 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

46% (22 units) restricted to 50% or less of area median income households.

54% (26 units) restricted to 60% or less of area median income households.

Unit Mix: 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:	\$ 12,235,496	
Estimated Hard Costs per Unit:	\$ 44,602	(\$2,140,882 /48 units)
Estimated per Unit Cost:	\$ 249,704	(\$12,235,496 /49 units including mngr. units)
Allocation per Unit:	\$ 132,292	(\$6,350,000 /48 units)
Allocation per Restricted Rental Unit:	\$ 132,292	(\$6,350,000 /48 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 6,350,000	\$ 2,159,300
LIH Tax Credit Equity	\$ 591,511	\$ 3,715,815
Deferred Developer Fee	\$ 435,433	\$ 435,433
Deferred Costs	\$ 590,604	\$ 0
GP Sponsor Loan	\$ 82,900	\$ 82,900
Itemized Public Funds Sources	\$ 4,096,027	\$ 5,753,027
Net Income From Operations	\$ 89,021	\$ 89,021
Total Sources	\$ 12,235,496	\$ 12,235,496

Uses of Funds:	
Land Cost/Acquisition	\$ 6,184,157
Rehabilitation	\$ 2,431,592
Relocation	\$ 65,823
Contractor Overhead	\$ 45,387
Architectural Fees	\$ 210,000
Survey and Engineering	\$ 120,000
Construction Interest and Fees	\$ 766,099
Permanent Financing	\$ 31,600
Legal Fees	\$ 135,000
Reserves	\$ 202,025
Appraisal	\$ 10,000
Contingency Cost	\$ 376,191
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 407,242
Developer Costs	\$ 1,250,380
Total Uses	\$ 12,235,496

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:

75 out of 140

[See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$6,350,000 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	20
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Gross Rents	5	5	5
Large Family Units	5	5	5
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	0
Sustainable Building Methods	10	10	0
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	110	75

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.