

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
October 19, 2016
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant: California Municipal Finance Authority

Allocation Amount Requested:
Tax-exempt: \$23,870,859

Project Information:
Name: Culver City Rotary Plaza Apartments
Project Address: 5100 Overland Avenue
Project City, County, Zip Code: Culver City, Los Angeles, 90230

Project Sponsor Information:
Name: Culver City Housing Partners, L.P. (Culver City Housing LLC)
Principals: Laverne R. Joseph for Culver City Housing, LLC
Property Management Company: Foundation Property Management

Project Financing Information:
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: MUFG Union Bank, N.A.
Public Sale: Not Applicable
Underwriter: Not Applicable
TEFRA Noticing Date: August 18, 2016
TEFRA Adoption Date: September 12, 2016

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 99, plus 1 manager unit
Type: Acquisition and Rehabilitation
Type of Units: Family

The Culver City Rotary Plaza is an income restricted community consisting of 100 units located at 5100 Overland Avenue, Culver City, CA 90230 (the Project). The unit mixture is twenty-five (25) studio residences (405 Sq Ft.), sixty four (64) one-bedroom residences (518 Sq Ft.) and eleven (11) one-bedroom residences that are handicap accessible (539 Sq. Ft). Built in 1985, the improvements sit on a 53,143 square foot site with surface area for twenty-six (26) parking spaces. The scope of rehabilitation includes, but is not limited to: repair to exterior sidewalks, fencing, stucco, exterior painting, and installation of new windows, handrails and lighting. The elevators, fire alarms, HVAC system and plumbing will be repaired/replaced as necessary. All units will be renovated with new appliances, cabinets, lighting, flooring, carpeting and plumbing fixtures in both kitchens and bathrooms. Construction is anticipated to begin in March of 2017 and be completed by June of 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
10% (10 units) restricted to 50% or less of area median income households.
90% (89 units) restricted to 60% or less of area median income households.
Unit Mix: Studio & 1 bedroom

The proposed project will be providing a bona fide service coordinator/ social worker with a minimum of 350 service hours per year.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost: \$ 47,648,453
Estimated Hard Costs per Unit: \$ 80,950 (\$8,014,090 /99 units)
Estimated per Unit Cost: \$ 476,485 (\$47,648,453 /100 units including mgr. units)
Allocation per Unit: \$ 241,120 (\$23,870,859 /99 units)
Allocation per Restricted Rental Unit: \$ 241,120 (\$23,870,859 /99 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 23,870,859	\$ 20,587,952
LIH Tax Credit Equity	\$ 140,355	\$ 14,036,939
Developer Equity	\$ 1,404	\$ 0
Deferred Developer Fee	\$ 1,875,000	\$ 0
Deferred Costs	\$ 560,834	\$ 0
Seller Carryback Loan	\$ 21,000,000	\$ 12,823,562
Acquired Replacement Reserves	\$ 200,000	\$ 200,000
Total Sources	\$ 47,648,452	\$ 47,648,453

Uses of Funds:	
Land Cost/Acquisition	\$ 28,900,000
Rehabilitation	\$ 9,174,840
Relocation	\$ 1,457,450
Contractor Overhead	\$ 164,292
Architectural Fees	\$ 475,000
Survey and Engineering	\$ 20,000
Construction Interest and Fees	\$ 1,976,712
Permanent Financing	\$ 142,940
Legal Fees	\$ 260,000
Reserves	\$ 595,244
Appraisal	\$ 20,000
Contingency Cost	\$ 936,463
Local Development Impact Fees	\$ 145,000
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 880,512
Developer Costs	\$ 2,500,000
Total Uses	\$ 47,648,453

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:

50 out of 140

[See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$23,870,859 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	25
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	0
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	5
Service Amenities	10	10	5
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	120	50

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.