

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 20, 2017
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Louise Eller

Applicant: City of Los Angeles

Allocation Amount Requested:
Tax-exempt: \$32,650,000

Project Information:
Name: Jordan Downs Phase 1B Apartments (Scattered Site)
Project Address: 2060-2390 E. Century Blvd.
Project City, County, Zip Code: Los Angeles, Los Angeles, 90002

Project Sponsor Information:
Name: Jordan Downs Phase 1B, L.P. (Foresight Affordable Housing Jordan Downs, LLC & Jordan Downs Phase 1B-Michaels LLC)
Principals: Donald Reape, Morton Schomer and Dr. Bruce Johnson for Foresight Affordable Housing Jordan Downs, LLC; Michael J. Levitt, John J. O'Donnell, Gary Buechler, Milton R. Pratt Jr., Joseph F. Purcell and Susan Langley for Jordan Downs Phase 1B- Michaels LLC
Property Management Company: Interstate Realty Management Company

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: Bank of America, 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: December 13, 2016
TEFRA Adoption Date: January 18, 2017

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 135
Manager's Units: 2 Unrestricted
Type: New Construction
Population Served: Family

Jordan Downs Phase 1B Apartments is a new construction project located in Los Angeles on a total of 4.22-acres. The project consists of 132 restricted rental units, 1 market rate unit and 2 unrestricted managers' units. The project will have 15 one-bedroom units, 64 two-bedroom units, 44 three-bedroom units, 7 four-bedroom units and 5 five-bedroom units. The new units will consist of flats, two-story townhomes and walk-ups. Common amenities include a playground, security cameras and . Each unit will have central air, blinds, carpet, coat closet, walk-in-closet, patio/balcony, refrigerator, stove/oven, dishwasher, garbage disposal and washer/dryer. There are 113 surface parking spaces provided. The construction is expected to begin December 2017 and completed in June 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 99%
99% (132 units) restricted to 50% or less of area median income households.
Unit Mix: 1, 2, 3, 4 & 5 bedroom

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:	\$ 60,035,845	
Estimated Hard Costs per Unit:	\$ 237,263	(\$32,030,507 /135 units including mgr. units)
Estimated per Unit Cost:	\$ 444,710	(\$60,035,845 /135 units including mgr. units)
Allocation per Unit:	\$ 241,852	(\$32,650,000 /135 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 247,348	(\$32,650,000 /132 restricted units)

Sources of Funds:	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 32,650,000	\$ 0
Taxable Bonds Proceeds	\$ 0	\$ 11,373,000
LIH Tax Credit Equity	\$ 10,972,129	\$ 21,944,260
HACLA RHF Funds	\$ 5,000,000	\$ 5,000,000
HACLA Ground Lease Note	\$ 4,320,000	\$ 4,320,000
HACLA Non Federal Funds	\$ 2,452,575	\$ 4,332,768
HACLA AHSC Grant Funds	\$ 2,029,943	\$ 2,029,943
Deferred Costs	\$ 1,514,492	\$ 0
Deferred Developer Fee	\$ 1,096,706	\$ 1,096,706
AHSC Loan	\$ 0	\$ 9,939,168
Total Sources	\$ 60,035,845	\$ 60,035,845

Uses of Funds:	
Land Cost/Acquisition	\$ 8,045,583
New Construction	\$ 32,590,937
Contractor Overhead & Profit	\$ 2,721,275
Architectural Fees	\$ 2,268,448
Survey and Engineering	\$ 475,000
Construction Interest and Fees	\$ 2,952,248
Permanent Financing	\$ 371,230
Legal Fees	\$ 215,000
Reserves	\$ 1,558,263
Appraisal	\$ 15,000
Hard Cost Contingency	\$ 1,836,861
Local Development Impact Fees	\$ 875,000
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 2,814,294
Developer Costs	\$ 3,296,706
Total Uses	\$ 60,035,845

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:

80 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$32,650,000 in tax exempt bond allocation on a carryforward basis.

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	0
Site Amenities	10	10	5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	0
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
Total Points	140	120	80