

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
July 18, 2018
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Ruben Barcelo

Applicant:	City of Los Angeles
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Allocation Amount Requested:	
Tax-exempt:	\$14,500,000

Project Information:	
Name:	Aria Apartments (fka Cambria Apartments)
Project Address:	1532-1538 Cambria Street
Project City, County, Zip Code:	Los Angeles, Los Angeles, 90017

Project Sponsor Information:	
Name:	Cambria PSH, L.P. (Affirmed Housing Group, Inc.; and Nexus for Affordable Housing)
Principals:	James Silverwood and Nicki Cometa for Affirmed Housing Group, Inc.; and Gina Onweiler for Nexus for Affordable Housing
Property Management Company:	Solari Enterprises, Inc.

Project Financing Information:	
Bond Counsel:	Kutak Rock LLP
Private Placement Purchaser:	Banner Bank
Cash Flow Permanent Bond:	Not Applicable
Public Sale:	Not Applicable
Underwriter:	Not Applicable
Credit Enhancement Provider:	Not Applicable
Rating:	Not Applicable
TEFRA Noticing Date:	May 5, 2018
TEFRA Adoption Date:	June 12, 2018

Description of Proposed Project:	
State Ceiling Pool:	General
Total Number of Units:	57
Manager's Units:	1 Unrestricted
Type:	New Construction
Population Served:	Family/Special Needs/Chronically Homeless

Aria Apartments (fka Cambria Apartments) is a new construction project located in Los Angeles on a 0.35-acre site. The project will provide 56 restricted rental units and 1 unrestricted manager unit distributed as 47 studio units, 9 one-bedroom units and 1 two-bedroom unit. The building will be a five-story development. Common amenities include a community room, computer room, laundry facility, elevator and security system. Units will feature central heating/AC, window coverings and kitchens equipped with a refrigerator, stove/oven and disposal. Construction is scheduled to begin in December 2018 and be completed in May 2020.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (56 units) restricted to 50% or less of area median income households.
Unit Mix: Studio, 1 & 2 bedrooms

The project will provide the services of a bona fide service coordinator/social worker.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	28,047,087	
Estimated Hard Costs per Unit:	\$	243,230	(\$13,864,124 /57 units including mgr. unit)
Estimated per Unit Cost:	\$	492,054	(\$28,047,087 /57 units including mgr. unit)
Allocation per Unit:	\$	254,386	(\$14,500,000 /57 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$	258,929	(\$14,500,000 /56 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 14,500,000	\$ 3,997,999
LIH Tax Credit Equity	\$ 1,547,087	\$ 11,249,998
Deferred Developer Fee	\$ 0	\$ 799,090
Los Angeles HCID HHH Loan	\$ 12,000,000	\$ 12,000,000
Total Sources	\$ 28,047,087	\$ 28,047,087

Uses of Funds:	
Land Cost/Acquisition	\$ 4,271,506
New Construction	\$ 14,425,005
Contractor Overhead & Profit	\$ 1,300,000
Architectural Fees	\$ 528,000
Survey and Engineering	\$ 280,000
Construction Interest and Fees	\$ 842,500
Permanent Financing	\$ 634,500
Legal Fees	\$ 200,000
Reserves	\$ 178,000
Appraisal	\$ 8,000
Hard Cost Contingency	\$ 800,000
Local Development Impact Fees	\$ 562,600
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,053,879
Developer Costs	\$ 2,963,097
Total Uses	\$ 28,047,087

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:

77.5 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$14,500,000 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
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	7.50
Service Amenities	10	10	5
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	77.5