

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: Richard Fischer

Applicant: City of Los Angeles

Allocation Amount Requested: Tax-exempt: \$10,771,000

Project Information: Name: Casa de Rosas Apartments
Project Address: 2600 South Hoover Street
Project City, County, Zip Code: Los Angeles, Los Angeles, 90007

Project Sponsor Information: Name: Casa de Rosas Campus, L.P. (Ward Economic Development Corp and Integral Veterans Village, LLC)
Principals: Jacquelyn Dupont-Walker for Ward Economic Development Corp and Egbert Perry for Integral Veterans Village, LLC
Property Management Company: TELACU Property Management

Project Financing Information: Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: Citibank, N.A.
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 8, 2018

Description of Proposed Project: State Ceiling Pool: General
Total Number of Units: 37
Manager's Units: 1 Unrestricted
Type: New Construction (Adaptive Reuse)
Population Served: Family/Special Needs

Casa de Rosas Apartments is a new construction (adaptive reuse) project located in Los Angeles on a .34-acre site. The Project was a veterans homeless shelter and has been vacant for 10 years. It has a historical buildings on the site which are being repurposed. The project consists of 36 restricted rental units and 1 unrestricted manager unit. The project will have 15 Studio units, 20 one-bedroom units and 2 two-bedroom units. The multiple buildings will be restored. The design is typical of the late nineteenth century and are being refurbished. Common amenities include a large community room, laundry facilities, management offices. Each unit will have furniture, refrigerator, range/oven, and dishwasher. The construction is expected to begin November 2018 and be completed in November 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (36 units) restricted to 50% or less of area median income households.
Unit Mix: Studio, 1 & 2 bedrooms

The proposed project will be providing service amenities such as after school programs, instructor-led educational, health, wellness and skill building classes and a bona fide service coordinator/social worker.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 17,755,000	
Estimated Hard Costs per Unit:	\$ 179,912	(\$6,656,744 /37 units including mgr. units)
Estimated per Unit Cost:	\$ 479,865	(\$17,755,000 /37 units including mgr. units)
Allocation per Unit:	\$ 291,108	(\$10,771,000 /37 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 299,194	(\$10,771,000 /36 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 10,771,000	\$ 0
LIH Tax Credit Equity	\$ 2,216,942	\$ 4,524,585
HCD Loan	\$ 1,795,722	\$ 1,795,722
HCIDLA Acq. Loan	\$ 2,004,278	\$ 2,004,278
Historic Tax Credits	\$ 967,058	\$ 1,973,588
HHH Proceeds	\$ 0	\$ 7,456,827
Total Sources	\$ 17,755,000	\$ 17,755,000

Uses of Funds:	
Land Cost/Acquisition	\$ 3,800,000
Rehabilitation	\$ 7,189,284
Contractor Overhead & Profit	\$ 465,972
Architectural Fees	\$ 375,000
Survey and Engineering	\$ 85,000
Construction Interest and Fees	\$ 1,533,992
Legal Fees	\$ 245,000
Reserves	\$ 234,169
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 900,768
Local Development Impact Fees	\$ 375,000
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 740,815
Developer Costs	\$ 1,800,000
Total Uses	\$ 17,755,000

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 \$10,771,000 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	5
Site Amenities	10	10	8
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	7
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	95