

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 19, 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: \$25,000,000

Project Information:
Name: McCadden Campus Senior Housing
Project Address: 1118 North McCadden place
Project City, County, Zip Code: Los Angeles, Los Angeles, 90038

Project Sponsor Information:
Name: McCadden Plaza, L.P. (McCadden Campus LLC and
McCadden Plaza Affordable Housing, LLC)
Principals: Lori L. Jean, David Bailey and Darrel Cummings for
McCadden Campus LLC; Thomas L. Safran, Andrew Gross
and Jordan Pynes for McCadden Plaza Affordable Housing,
LLC
Property Management Company: Thomas Safran & Associates

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: Wells Fargo Bank, N.A./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 6, 2018

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 98
Manager's Units: 1 Unrestricted
Type: New Construction
Population Served: Senior Citizens/Special Needs

McCadden Campus Senior Housing Apartments is a new construction project located in Los Angeles on a .63-acre site. The project consists of 97 restricted rental units and 1 unrestricted manager unit. The project will have 19 Studio units, 75 one-bedroom units and 4 two-bedroom units. The building will be a stucco five-story building. Common amenities include a large community room, laundry facilities, management offices and a computer room. Each unit will have a refrigerator, range/oven and dishwasher. The construction is expected to begin November 2018 and be completed in August 2020.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

57% (55 units) restricted to 50% or less of area median income households.

43% (42 units) restricted to 60% or less of area median income households.

Unit Mix: Studio, 1 & 2 bedroom

The proposed project will be receiving service amenity points for providing to Project residents instructor-led educational, health and wellness, or skill building classes and the Project will offer to Project residents a bona fide service coordinator.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 42,598,076	
Estimated Hard Costs per Unit:	\$ 412,285	(\$40,403,957 /98 units including mgr. units)
Estimated per Unit Cost:	\$ 434,674	(\$42,598,076 /98 units including mgr. units)
Allocation per Unit:	\$ 255,102	(\$25,000,000 /98 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 257,732	(\$25,000,000 /97 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 25,000,000	\$ 9,910,000
Tranche B Financing	\$ 0	\$ 0
Taxable Bond Proceeds	\$ 0	\$ 0
LIH Tax Credit Equity	\$ 2,269,197	\$ 15,306,410
Deferred Developer Fee	\$ 4,225,890	\$ 4,049,200
HCIDLA Deferred Interest	\$ 187,308	\$ 187,308
HCIDLA HHH Funds	\$ 3,000,000	\$ 5,500,000
HCIDLA CDBG Funds	\$ 4,930,158	\$ 4,930,158
LA Couny CDC 3rd District	\$ 1,500,000	\$ 1,500,000
Fed. Home Loan Bank AHP	\$ 1,215,000	\$ 1,215,000
Total Sources	\$ 42,327,553	\$ 42,598,076
 Uses of Funds:		
Land Cost/Acquisition	\$ 5,500,158	
New Construction	\$ 20,824,086	
Contractor Overhead & Profit	\$ 992,714	
Architectural Fees	\$ 1,117,730	
Survey and Engineering	\$ 760,220	
Construction Interest and Fees	\$ 3,268,542	
Permanent Financing	\$ 370,980	
Legal Fees	\$ 165,000	
Reserves	\$ 269,645	
Appraisal	\$ 10,000	
Hard Cost Contingency	\$ 2,243,534	
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 2,349,577	
Developer Costs	\$ 4,725,890	
Total Uses	\$ 42,598,076	

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:

90 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$25,000,000 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	10
Service Amenities	10	10	10
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	90