

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
October 17, 2018
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Ruben Barcelo

Applicant:	California Municipal Finance Authority
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Allocation Amount Requested:	Tax-exempt: \$38,073,606
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Project Information:	Name: Las Ventanas Apartments
	Project Address: 1795 Long Beach Blvd
	Project City, County, Zip Code: Long Beach, Los Angeles, 90813

Project Sponsor Information:	Name: AMCAL Las Ventanas Fund, LP (AMCAL Multi-Housing Inc.; and Las Palmas Foundation)
	Principals: Percival Vaz and Luxmi Vaz for AMCAL Multi-Housing Inc.; and Joseph M. Michaels for Las Palmas Foundation
	Property Management Company: FPI Management, Inc.

Project Financing Information:	Bond Counsel: Orrick, Herrington & Sutcliffe LLP
	Private Placement Purchaser: MUFG Union Bank, 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: August 14, 2018
	TEFRA Adoption Date: September 11, 2018

Description of Proposed Project:	State Ceiling Pool: General
	Total Number of Units: 102
	Manager's Units: 1 Unrestricted
	Type: New Construction
	Population Served: Family

Las Ventanas Apartments is a new construction project located in Long Beach on a 1.01-acre site. The project will consist of 78 restricted rental units, 1 unrestricted manager unit and 23 units at 80% AMI. The unit mix includes 1 studio unit, 49 one-bedroom units, 25 two bedroom units and 27 three-bedroom units. The single building will consist of four residential stories over ground floor retail space and one level of semi-subterranean parking. Common amenities include a community room with computer lab, laundry facilities, management offices and open courtyard with barbeque area. Each unit will feature a kitchen equipped with refrigerator, range/oven, dishwasher and garbage disposal. Sixty-nine residential parking spaces, nine retail parking spaces and five motorcycle parking spaces will be provided in addition to secured bicycle parking space. The project will pursue LEED certification. Construction is scheduled to begin December 2018 and be completed in January 2021.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 77%

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

28% (28 units) restricted to 60% or less of area median income households.

Unit Mix: Studio, 1, 2 & 3 bedrooms

The proposed project will not be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	49,955,210	
Estimated Hard Costs per Unit:	\$	258,975	(\$26,415,412 /102 units including mgr. units)
Estimated per Unit Cost:	\$	489,757	(\$49,955,210 /102 units including mgr. units)
Allocation per Unit:	\$	373,271	(\$38,073,606 /102 units including mgr. units)
Allocation per Restricted Rental Unit:	\$	488,123	(\$38,073,606 /78 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 38,073,606	\$ 6,764,090
Tranche B Financing	\$ 0	\$ 5,108,296
LIH Tax Credit Equity	\$ 3,685,723	\$ 18,428,616
Deferred Developer Fee	\$ 2,380,000	\$ 1,500,000
CalHFA SNHP Loan	\$ 1,500,000	\$ 1,500,000
Long Beach City Fee Waivers	\$ 565,881	\$ 565,882
Long Beach City Acquisition Loan	\$ 3,750,000	\$ 3,750,000
HCD IIG Loan	\$ 0	\$ 2,859,060
HCD AHSC Loan	\$ 0	\$ 9,479,266
Total Sources	\$ 49,955,210	\$ 49,955,210

Uses of Funds:	
Land Cost/Acquisition	\$ 4,130,816
New Construction	\$ 28,120,535
Contractor Overhead & Profit	\$ 2,168,820
Architectural Fees	\$ 576,000
Survey and Engineering	\$ 951,814
Construction Interest and Fees	\$ 3,092,069
Permanent Financing	\$ 320,911
Legal Fees	\$ 130,000
Reserves	\$ 1,419,688
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 867,588
Local Development Impact Fees	\$ 2,206,884
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 2,460,085
Developer Costs	\$ 3,500,000
Total Uses	\$ 49,955,210

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:

84 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$38,073,606 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	10
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	9
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	84