

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 12, 2018
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Richard Fischer

Applicant: Housing Authority of the County of Los Angeles

Allocation Amount Requested: Tax-exempt: \$8,600,000

Project Information:

Name: Whitfield Manor
Project Address: 12600 S. Compton Avenue
Project City, County, Zip Code: unincorporated Los Angeles County, 90222

Project Sponsor Information:

Name: Whitfield Manor II, LP (WLCAC Whitfield Manor, LLC)
Principals: Naima Ganaba, Timothy Watkins for WLCAC Whitfield Manor, LLC
Property Management Company: Barker Management, Incorporated

Project Financing Information:

Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: R4 Capital Funding
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: July 7, 2018
TEFRA Adoption Date: September 18, 2018

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 46
Manager's Units: 1 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

Whitfield Manor Apartments is an existing project located in the unincorporated portion of Los Angeles County known as Willowbrook on a 2.35-acre site. The project consists of 45 restricted rental units and 1 unrestricted manager unit. The project has 18 one-bedroom units, 10 two-bedroom units and 18 three-bedroom units. The renovations will include building exterior and interior upgrades. There will be three additional new construction buildings and will be of similar design and construction type in order to blend with the existing site but will be one-story structures. Building exterior renovations will consist of stucco repairs, roof replacement, window replacements and a fresh coat of paint. Interior renovations will include laundry room, leasing office and community room upgrades. Individual apartment units will be updated if applicable; with a new appliance package, countertops, cabinets, fixtures, paint and electrical updates. The rehabilitation is expected to begin in March 2019 and be completed in October 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

22% (10 units) restricted to 50% or less of area median income households.

78% (35 units) restricted to 60% or less of area median income households.

Unit Mix: 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:	\$ 16,605,560	
Estimated Hard Costs per Unit:	\$ 105,381	(\$4,847,518 /46 units including mgr. units)
Estimated per Unit Cost:	\$ 360,990	(\$16,605,560 /46 units including mgr. units)
Allocation per Unit:	\$ 186,957	(\$8,600,000 /46 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 191,111	(\$8,600,000 /45 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 8,600,000	\$ 6,870,000
LIH Tax Credit Equity	\$ 455,400	\$ 4,554,000
Deferred Costs	\$ 2,520,160	\$ 0
Seller Carryback Loan	\$ 5,030,000	\$ 5,030,000
Net Income From Operations	\$ 0	\$ 151,560
Total Sources	\$ 16,605,560	\$ 16,605,560

Uses of Funds:	
Land Cost/Acquisition	\$ 7,116,981
Rehabilitation	\$ 2,781,550
Relocation	\$ 96,000
New Construction	\$ 1,708,700
Contractor Overhead & Profit	\$ 332,876
Architectural Fees	\$ 260,000
Survey and Engineering	\$ 51,000
Construction Interest and Fees	\$ 786,593
Permanent Financing	\$ 103,050
Legal Fees	\$ 240,000
Reserves	\$ 226,000
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 482,314
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 498,511
Developer Costs	\$ 1,911,985
Total Uses	\$ 16,605,560

Analyst Comments:

This is Project will undergo major rehabilitation along with adding three new buildings.

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:

56 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$8,600,000 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	10
Exceeding Minimum Income Restrictions:	35	15	31
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Large Family Units	5	5	5
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	0
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	110	56