

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
January 16, 2019
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

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

Project Information:
Name: Figueroa Oaks Apartments
Project Address: 10210 South Figueroa Street
Project City, County, Zip Code: Los Angeles, Los Angeles, 90003

Project Sponsor Information:
Name: Figueroa Oaks Preservation, L.P. (Figueroa Economical Housing Development Corporation)
Principals: Lyndale Frison
Property Management Company: Monfric, Inc.

Project Financing Information:
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Red Stone Tax Exempt Funding LLC
Cash Flow Permanent Bond: Not Applicable
Public Sale: Not Applicable
Underwriter: Not Applicable
Credit Enhancement Provider: Not Applicable
Rating: Not Applicable
TEFRA Noticing Date: October 31, 2018
TEFRA Adoption Date: November 16, 2018

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 32
Manager's Units: 1 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Family

Figueroa Oaks Apartments is an existing project located in Los Angeles on a 0.53-acre site. The project consists of 31 restricted rental units and 1 unrestricted manager unit distributed as 6 two-bedroom units, 20 three-bedroom units and 6 four-bedroom units. Building exterior renovations will include replacement of selected patio covers and fresh paint. Interior renovations will include improvements to the community room and elevator. Individual units will be upgraded with new heating/AC units, flooring, window coverings, fresh paint, new kitchen and bathroom plumbing fixtures, cabinets and kitchen appliances. Site area renovations will include parking area improvements, widening of walkways and lighting upgrades. The rehabilitation is expected to begin in February 2019 and be completed in December 2019.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (31 units) restricted to 50% or less of area median income households.
Unit Mix: 2, 3 & 4 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:	\$ 13,544,628	
Estimated Hard Costs per Unit:	\$ 26,316	(\$842,105 /32 units including mgr. units)
Estimated per Unit Cost:	\$ 423,270	(\$13,544,628 /32 units including mgr. units)
Allocation per Unit:	\$ 250,000	(\$8,000,000 /32 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 258,065	(\$8,000,000 /31 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 8,000,000	\$ 2,014,068
LIH Tax Credit Equity	\$ 1,158,203	\$ 3,860,677
Deferred Developer Fee	\$ 791,109	\$ 0
Seller Carryback Loan	\$ 0	\$ 4,074,567
LA Housing and Community Investment Dept Loan	\$ 3,595,316	\$ 3,595,316
Total Sources	\$ 13,544,628	\$ 13,544,628

Uses of Funds:	
Land Cost/Acquisition	\$ 9,000,000
Rehabilitation	\$ 907,925
Relocation	\$ 160,000
Contractor Overhead & Profit	\$ 67,368
Architectural Fees	\$ 100,000
Survey and Engineering	\$ 80,000
Construction Interest and Fees	\$ 769,000
Permanent Financing	\$ 120,941
Legal Fees	\$ 190,000
Reserves	\$ 178,687
Appraisal	\$ 8,600
Hard Cost Contingency	\$ 144,000
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 266,937
Developer Costs	\$ 1,551,170
Total Uses	\$ 13,544,628

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:

80 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$8,000,000 in tax-exempt bond allocation.

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	20
Exceeding Minimum Income Restrictions:	35	15	35
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	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	10
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	0
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	80