

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 15, 2019
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant:	County of Los Angeles
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Allocation Amount Requested:	
Tax-exempt:	\$17,357,500

Project Information:	
Name:	Whittier & Downey NW
Project Address:	4161 and 4169 Whittier Boulevard
Project City, County, Zip Code:	Los Angeles, Los Angeles, 90023

Project Sponsor Information:	
Name:	WDNW, L.P. (WCH Affordable XXV, LLC and WDNW, LLC)
Principals:	Graham Espley-Jones, Sandra Gibbons and Leanne Truofreh for WCH Affordable XXV, LLC; John Huskey, Kasey Burke and George Russo for WDNW, LLC
Property Management Company:	The John Stewart Company

Project Financing Information:	
Bond Counsel:	Hawkins, Delafield & Wood 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:	January 6, 2019
TEFRA Adoption Date:	February 19, 2019

Description of Proposed Project:	
State Ceiling Pool:	General
Total Number of Units:	42
Manager's Units:	1 Unrestricted
Type:	New Construction
Population Served:	Family/Special Needs

Whittier & Downey NW Apartments is a new construction project located in unincorporated Los Angeles on a .69-acre site. The project consists of 41 restricted rental units, and 1 unrestricted manager unit. The project will have 24 studio units, 13 one-bedroom units, 4 two-bedroom units. The building will be two stories of a concrete podium with wood frame over one level construction. Common amenities include a large community room, laundry facilities, management offices and a bike parking space. Each unit will have a refrigerator, range/oven and dishwasher. There are 31 parking spaces provided. The project will be pursuing LEED certification. The construction is expected to begin August 2019 and will be completed in November 2020.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (41 units) restricted to 50% or less of area median income households.
Unit Mix: Studio, 1 & 2 bedrooms

The proposed project will be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 28,325,818	
Estimated Hard Costs per Unit:	\$ 345,987	(\$14,531,455 /42 units including mgr. units)
Estimated per Unit Cost:	\$ 674,424	(\$28,325,818 /42 units including mgr. units)
Allocation per Unit:	\$ 413,274	(\$17,357,500 /42 units including mgr. units)
Allocation per Restricted Rental Unit:	\$ 423,354	(\$17,357,500 /41 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 17,357,500	\$ 1,550,205
LIH Tax Credit Equity	\$ 431,472	\$ 8,629,443
Deferred Developer Fee	\$ 0	\$ 1,151,170
Deferred Costs	\$ 2,534,846	\$ 0
Co. of Los Angeles (MHF)	\$ 4,000,000	\$ 5,000,000
Co. of Los Angeles (AHTF)	\$ 2,352,000	\$ 2,940,000
HCD AHSC	\$ 0	\$ 5,000,000
CalHFA-SNHP	\$ 0	\$ 1,995,000
HCD IIG	\$ 1,650,000	\$ 1,650,000
FHLB SF-AHP	\$ 0	\$ 410,000
Total Sources	\$ 28,325,818	\$ 28,325,818

Uses of Funds:	
Land Cost/Acquisition	\$ 2,831,579
New Construction	\$ 15,641,455
Contractor Overhead & Profit	\$ 605,342
Architectural Fees	\$ 606,000
Survey and Engineering	\$ 713,022
Construction Interest and Fees	\$ 1,560,382
Permanent Financing	\$ 199,000
Legal Fees	\$ 175,000
Reserves	\$ 382,005
Appraisal	\$ 3,000
Hard Cost Contingency	\$ 775,130
Local Development Impact Fees	\$ 292,942
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,750,961
Developer Costs	\$ 2,790,000
Total Uses	\$ 28,325,818

Analyst Comments:

This project is considered a high cost per unit project. According to the Project Sponsor; County LACDC triggered Local Hire labor requirements, construction cost increase, County of Los Angeles greywater irrigation requirements, Green Point Rated Gold Premiums and dry utility relocation costs contributed to the high cost per unit.

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:

82.5 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approve \$17,357,500 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	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	7.5
Service Amenities	10	10	5
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	5
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	82.5