

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
December 11, 2019
Staff Report
**REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT**

Prepared by: Isaac Clark III

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:

Tax-exempt: \$46,645,814

Project Information:

Name: The Concord
Project Address: 275 E. Cordova Street
Project City, County, Zip Code: Pasadena, Los Angeles, 91101

Project Sponsor Information:

Name: Concord RHF Partners, LP (Pasadena RHF Housing, Inc. / Wells Fargo Bank)
Principals: Laverne R. Joseph, President for Pasadena RHF Housing, Inc. / Paul Buckland, Senior VP for Wells Fargo Bank

Property Management Company: Foundation Property Management

Project Financing Information:

Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: Wells Fargo 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: October 17, 2019
TEFRA Adoption Date: November 4, 2019

Description of Proposed Project:

State Ceiling Pool: General
Total Number of Units: 150
Manager's Units: 1 Unrestricted
Type: Acquisition and Rehabilitation
Population Served: Senior Citizens

The Concord is located in Pasadena on a 1.20-acre site. The entire project consists of 149 restricted rental units, 0 market rate units and 1 unrestricted manager unit. The entire project has 57 Studio units, 92 one-bedroom units, and 1 two-bedroom unit as the manager unit. Building exterior renovations will consist of replacing balcony railings and deck coating, providing new energy efficient windows and patio doors, or sliders, repaint surfaces, lighting and installing a new automatic sliding door at the main entrance. Resident unit renovations will include replacing plumbing fixtures to low flow fixtures, converting bathtubs to walk-in showers, replacing kitchen and bathroom cabinets, countertops, light fixtures, flooring and window coverings. Installing new energy efficient appliances including refrigerators, stoves, hoods and garbage disposals. Lastly, common or site area renovations will consist of upgrading the lobby with seating/waiting area, TV lounge and computer workstations, laundry facilities, and restrooms to comply with current ADA standards. A new parking area will be added to maintain 66 spaces. The rehabilitation is expected to begin in March 2020 and be completed in September 2021.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
26% (38 units) restricted to 50% or less of area median income households.
74% (111 units) restricted to 60% or less of area median income households.
Unit Mix: Studio & 1 bedroom

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: \$ 74,241,242
Estimated Hard Costs per Unit: \$ 99,574 (\$14,936,098 /150 units including mgr. unit)
Estimated per Unit Cost: \$ 494,942 (\$74,241,242 /150 units including mgr. unit)
Allocation per Unit: \$ 310,972 (\$46,645,814 /150 units including mgr. unit)
Allocation per Restricted Rental Unit: \$ 313,059 (\$46,645,814 /149 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 46,645,814	\$ 35,350,522
Cash Flow Permanent Bonds	\$ 0	\$ 0
Tranche B Financing	\$ 0	\$ 0
Taxable Bond Proceeds	\$ 0	\$ 0
LIH Tax Credit Equity	\$ 0	\$ 20,191,773
Income from Operatons	\$ 2,518,874	\$ 2,518,874
Deferred Developer Fee	\$ 2,120,000	\$ 1,150,000
Costs Deferred Until Conversion	\$ 0	\$ 0
Seller Carryback Loan	\$ 0	\$ 0
City of Pasadena	\$ 18,350,000	\$ 12,444,513
Accrued Deferred Interest-Seller Carryback	\$ 0	\$ 0
Acquired Project Reserves	\$ 2,585,560	\$ 2,585,560
Wells Fargo-LP Equity	\$ 2,018,975	\$ 0
Pasadena RHF Housing, Inc-GP Equity	\$ 2,019	\$ 0
Total Sources	\$ 74,241,242	\$ 74,241,242

Uses of Funds:	
Land Cost/Acquisition	\$ 43,505,344
Rehabilitation	\$ 17,317,291
Relocation	\$ 1,879,515
New Construction	\$ 0
Contractor Overhead & Profit	\$ 0
Architectural Fees	\$ 675,000
Survey and Engineering	\$ 12,500
Construction Interest and Fees	\$ 3,361,513
Permanent Financing	\$ 221,753
Legal Fees	\$ 270,000
Reserves	\$ 1,147,861
Appraisal	\$ 25,000
Hard Cost Contingency	\$ 1,881,729
Local Development Impact Fees	\$ 0
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,293,736
Developer Costs	\$ 2,650,000
Total Uses	\$ 74,241,242

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:

86.75 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$46,645,814 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	33
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
Large Family Units	5	5	0.00
Leveraging	10	10	10.00
Community Revitalization Area	5	5	0.00
Site Amenities	10	10	10.00
Service Amenities	10	10	0.00
New Construction or Substantial Renovation	10	10	10.00
Sustainable Building Methods	10	10	4.00
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0.00
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0.00
Negative Points (No Maximum)	-10	-10	0.00
Total Points	140	110	86.75