

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
February 18, 2020
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant:	City of Los Angeles
Allocation Amount Requested:	Tax-exempt: \$32,500,000
Project Information:	Name: Ingraham Apartments Project Address: 1218-1232 Ingraham Street Project City, County, Zip Code: Los Angeles, Los Angeles, 90017
Project Sponsor Information:	Name: Ingraham Apartments, L.P. (SRO Commercial LLC) Principals: Anita U. Nelson for SRO Commercial LLC Property Management Company: Single Room Occupancy Housing Corp.
Project Financing Information:	Bond Counsel: Kutak Rock LLP Private Placement Purchaser: MUFG Union Bank, N.A. (const) & California Community Reinvestment Corporation (perm) 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 20, 2019 TEFRA Adoption Date: September 13, 2019
Description of Proposed Project:	State Ceiling Pool: General Total Number of Units: 121 Manager's Units: 1 Unrestricted Type: New Construction Population Served: Family/Special Needs

Ingraham Apartments is a new construction project located in Los Angeles on a .51-acre site. The project consists of 120 restricted rental units and 1 unrestricted manager unit. The project will have 120 studio units and 1 one-bedroom unit. The building will be 5 stories, two of which are podium construction and 3 stories of wood frame construction. Common amenities include : multiple community rooms, laundry facilities, management offices and bike parking. Each unit will have a refrigerator, range/oven and private bath. There will be 42 parking spaces provided. The project will be pursuing LEED Gold certification. Green features include photovoltaic panels to offset common hot water and energy loads. The construction is expected to begin May 2020 and will be completed in May 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (120 units) restricted to 50% or less of area median income households.
Unit Mix: Studio & 1 bedroom

The proposed project will be receiving service amenity points. The project will provide health and wellness services and a bona fide service coordinator, social worker.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	60,109,859	
Estimated Hard Costs per Unit:	\$	277,851	(\$33,619,985 /121 units including mgr. unit)
Estimated per Unit Cost:	\$	496,776	(\$60,109,859 /121 units including mgr. unit)
Allocation per Unit:	\$	268,595	(\$32,500,000 /121 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$	270,833	(\$32,500,000 /120 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 32,500,000	\$ 6,278,000
LIH Tax Credit Equity	\$ 2,030,654	\$ 20,331,859
Deferred Costs	\$ 2,689,205	\$ 0
No Place Like Home (Co. of LA)	\$ 14,775,000	\$ 15,000,000
City of LA (HHH)	\$ 1,690,000	\$ 12,000,000
LA Co. AHTF & MHHP	\$ 4,925,000	\$ 5,000,000
AHP (Union Bank)	\$ 1,500,000	\$ 1,500,000
Total Sources	\$ 60,109,859	\$ 60,109,859

Uses of Funds:	
Land Cost/Acquisition	\$ 10,844,045
New Construction	\$ 32,036,047
Contractor Overhead & Profit	\$ 1,583,938
Architectural Fees	\$ 1,680,999
Survey and Engineering	\$ 177,485
Construction Interest and Fees	\$ 4,616,380
Permanent Financing	\$ 360,750
Legal Fees	\$ 135,000
Reserves	\$ 1,439,205
Appraisal	\$ 15,000
Hard Cost Contingency	\$ 2,757,699
Local Development Impact Fees	\$ 394,092
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,469,219
Developer Costs	\$ 2,600,000
Total Uses	\$ 60,109,859

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:

122.5 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$32,500,000 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	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
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	10
Community Revitalization Area	5	5	5
Site Amenities	10	10	7.5
Service Amenities	10	10	10
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10
Negative Points (No Maximum)	-10	-10	0
Total Points	145	125	122.5