

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 16, 2020
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Chee Thao Yang

Applicant:	California Municipal Finance Authority
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Allocation Amount Requested:	Tax-exempt: \$27,000,000
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Project Information:	Name: 5th St. PSH Apartments
	Project Address: 409-411 E. Fifth Street
	Project City, County, Zip Code: Los Angeles, Los Angeles, 90013

Project Sponsor Information:	Name: RG 5th St PSH LP (to be formed) (5th Street Partnership LLC & Skid Row 5th St MGP LLC (to be formed))
	Principals: Grant King & Richard Heyman for 5th Street Partnership; Lee Raagas & Sierra Atilano for Skid Row 5th St MGP LLC
	Property Management Company: SRHT Property Management Company

Project Financing Information:	Bond Counsel: Jones Hall, A Professional Law Corporation
	Private Placement Purchaser: California Bank & Trust
	Cash Flow Permanent Bond: Not Applicable
	Public Sale: Not Applicable
	Underwriter: Not Applicable
	Credit Enhancement Provider: Not Applicable
	Rating: Not Applicable

Description of Proposed Project:	State Ceiling Pool: General
	Total Number of Units: 149
	Manager's Units: 0 Unrestricted
	Type: New Construction
	Population Served: Family/Special Needs

5th St. PSH Apartments is a new construction project located in Los Angeles on a 0.31-acre site. The project consists of 149 restricted rental units. The project will have 149 one-bedroom units. The building will be 8 stories. Common amenities include various community rooms, shared laundry room and bicycle storage, offices for management company personnel, private meeting rooms/offices for on-site supportive service personnel, and outdoor community space including a rooftop deck. Each unit will have hard surface floors, window coverings, refrigerator, stove/cooktop, individual HVAC, and bedroom and living area furniture. The construction is expected to begin in November 2020 and be completed in January 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (149 units) restricted to 50% or less of area median income households.
0% (0 units) restricted to 60% or less of area median income households.
Unit Mix: 1 bedroom

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: \$ 49,248,811
Estimated Hard Costs per Unit: \$ 192,304 (\$28,653,366 /149 units including mgr. unit)
Estimated per Unit Cost: \$ 330,529 (\$49,248,811 /149 units including mgr. unit)
Allocation per Unit: \$ 181,208 (\$27,000,000 /149 units including mgr. unit)
Allocation per Restricted Rental Unit: \$ 181,208 (\$27,000,000 /149 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 27,000,000	\$ 27,000,000
Taxable Bond Proceeds	\$ 12,030,000	\$ 1,700,000
LIH Tax Credit Equity	\$ 2,403,761	\$ 16,025,070
Deferred Developer Fee	\$ 0	\$ 1,972,366
Deferred Costs & Fees	\$ 5,815,050	\$ 0
Relevant Group-GP Loan	\$ 2,000,000	\$ 2,000,000
Skid Row Housing Trust - GP Equity	\$ 0	\$ 551,375
Total Sources	\$ 49,248,811	\$ 49,248,811

Uses of Funds:	
Land Cost/Acquisition	\$ 3,998,800
New Construction	\$ 29,848,983
Contractor Overhead & Profit	\$ 1,115,019
Architectural Fees	\$ 432,200
Survey and Engineering	\$ 728,479
Construction Interest and Fees	\$ 2,755,101
Permanent Financing	\$ 571,676
Legal Fees	\$ 165,000
Reserves	\$ 637,607
Appraisal	\$ 15,000
Hard Cost Contingency	\$ 1,548,200
Local Development Impact Fees	\$ 370,895
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,548,110
Developer Costs	\$ 5,513,741
Total Uses	\$ 49,248,811

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:

125 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$27,000,000 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	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
Gross Rents	5	5	5
Leveraging	10	10	10
Community Revitalization Area	5	5	5
Site Amenities	10	10	10
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	125