

**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: Isaac Clark III*

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<b>Applicant:</b>	<b>California Statewide Communities Development Authority</b>
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<b>Allocation Amount Requested:</b>	<b>Tax-exempt:</b> \$14,318,214
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<b>Project Information:</b>	<b>Name:</b> Avenue 34
	<b>Project Address:</b> 141 W Avenue 34
	<b>Project City, County, Zip Code:</b> Los Angeles, Los Angeles, 90031

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<b>Project Sponsor Information:</b>	<b>Name:</b> R Cap Avenue 34, LLC (MR Real Estate, LLC / The Pinyon Group LLC)
	<b>Principals:</b> MR Real Estate, LLC / RCC MGP, LLC / The Pinyon Group LLC
	<b>Property Management Company:</b> Greystar California, Inc.

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<b>Project Financing Information:</b>	<b>Bond Counsel:</b> Kutak Rock LLP
	<b>Private Placement Purchaser:</b> East West Bank
	<b>Cash Flow Permanent Bond:</b> Not Applicable
	<b>Public Sale:</b> Credit Enhanced
	<b>Underwriter:</b> East West Bank
	<b>Credit Enhancement Provider:</b> East West Bank
	<b>Rating:</b> AAA

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<b>Description of Proposed Project:</b>	<b>State Ceiling Pool:</b> General
	<b>Total Number of Units:</b> 67
	<b>Manager's Units:</b> 1 Unrestricted
	<b>Type:</b> New Construction
	<b>Population Served:</b> Family

Avenue 34 Apartments is a new construction project located in Los Angeles. Avenue 34 is a mixed used development comprised of two (2) buildings (Buildings A and B) containing multi-family housing and retail. Both buildings are 4-stories. The project consists of 66 restricted rental units, and 1 unrestricted manager unit. The project will have 33 Studio units, 21 one-bedroom units, and 13 two-bedroom units. The buildings share common amenity spaces accessible to all residents, including: a large exterior courtyard with exterior seating, barbeque grills, a pool and spa, bike parking - including long and short term, fitness room, community lounges, and conference rooms. Property management and leasing staff workspaces will be located in Building A. All buildings, amenity spaces, elevators, and residential units will be secured by fob access. Additionally, the public courtyards and paseo on the east side of the site will be closed after commercial business hours, and will require fob access for entry. The construction is expected to begin January 2021 and be completed in February 2023.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
100% (66 units) restricted to 50% or less of area median income households.  
**Unit Mix:** Studio, 1 & 2 bedroom

The proposed project will be receiving service amenity points.

**Term of Restrictions:**

**Income and Rent Restrictions:** 55 years

**Details of Project Financing:**

<b>Estimated Total Development Cost:</b>	\$ 27,629,525	
<b>Estimated Hard Costs per Unit:</b>	\$ 228,079	(\$15,281,306 /67 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 412,381	(\$27,629,525 /67 units including mgr. units)
<b>Allocation per Unit:</b>	\$ 213,705	(\$14,318,214 /67 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 216,943	(\$14,318,214 /66 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 14,318,214	\$ 5,199,007
Taxable Bond Proceeds	\$ 5,016,446	\$ 0
LIH Tax Credit Equity	\$ 0	\$ 7,666,440
Deferred Developer Fee	\$ 0	\$ 38,713
Costs Deferred Until Conversion	\$ 38,713	\$ 0
PNC - Tax Credit Equity	\$ 2,299,932	\$ 0
Sponsor Equity	\$ 5,956,220	\$ 14,725,365
<b>Total Sources</b>	<b>\$ 27,629,525</b>	<b>\$ 27,629,525</b>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 4,949,748
New Construction	\$ 14,280,325
Contractor Overhead & Profit	\$ 603,210
Architectural Fees	\$ 721,932
Survey and Engineering	\$ 307,791
Construction Interest and Fees	\$ 1,365,138
Permanent Financing	\$ 77,985
Legal Fees	\$ 253,601
Reserves	\$ 90,308
Appraisal	\$ 7,500
Hard Cost Contingency	\$ 1,120,106
Local Development Impact Fees	\$ 230,155
Other Project Costs	\$ 1,015,785
Developer Costs	<u>\$ 2,538,663</u>
<b>Total Uses</b>	<b>\$ 27,562,247</b>

**Analyst Comments:**

None

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**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.

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**Total Points:**

125 out of 145 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$14,318,214 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
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	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
<b>Total Points</b>	<b>145</b>	<b>125</b>	<b>125</b>