

**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*

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<b>Applicant:</b>	<b>Los Angeles County Development Authority</b>
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<b>Allocation Amount Requested:</b>	
<b>Tax-exempt:</b>	\$12,591,000

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<b>Project Information:</b>	
<b>Name:</b>	<b>Casa Bonita Senior Apartments</b>
<b>Project Address:</b>	6512 Rugby Avenue
<b>Project City, County, Zip Code:</b>	Huntington Park, Los Angeles, 90255

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<b>Project Sponsor Information:</b>	
<b>Name:</b>	6512 Rugby Avenue, LP (WCH Affordable XLIV, LLC)
<b>Principals:</b>	Graham Espley-Jones, Sandra Gibbons & Leanne Truofreh
<b>Property Management Company:</b>	WSH Management

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<b>Project Financing Information:</b>	
<b>Bond Counsel:</b>	Kutak Rock LLP
<b>Private Placement Purchaser:</b>	Hunt Real Estate Capital, LLC/RASA LP
<b>Cash Flow Permanent Bond:</b>	Not Applicable
<b>Public Sale:</b>	Not Applicable
<b>Underwriter:</b>	Not Applicable
<b>Credit Enhancement Provider:</b>	Not Applicable
<b>Rating:</b>	Not Applicable

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<b>Description of Proposed Project:</b>	
<b>State Ceiling Pool:</b>	General
<b>Total Number of Units:</b>	80
<b>Manager's Units:</b>	1 Unrestricted
<b>Type:</b>	Acquisition and Rehabilitation
<b>Population Served:</b>	Senior Citizens

Casa Bonita Apartments is an existing project located in Huntington Park on a 1.3-acre site. The project consists of 79 restricted rental units and 1 unrestricted manager unit. The project has 64 one-bedroom units and 16 two-bedroom units. The renovations will include building (exterior/interior) upgrades. Building exterior renovations will consist of a new roof. Interior renovations will include additional laundry rooms, upgrades to the community room, replacement of common area light fixtures and fire and security system upgrades. Individual apartment units will be updated with new Energy Star rated appliances, adaptable cabinets and countertops, non skid flooring and mobility and sensory upgrades for some units. Lastly, common or site area renovations will consist of upgrade to community garden and new sitting areas. The rehabilitation is expected to begin in December 2020 and be completed in January of 2022.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
100% (79 units) restricted to 50% or less of area median income households.  
**Unit Mix:** 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:**

<b>Estimated Total Development Cost:</b>	\$ 22,994,339	
<b>Estimated Hard Costs per Unit:</b>	\$ 61,501	(\$4,920,050 /80 units including mgr. unit)
<b>Estimated per Unit Cost:</b>	\$ 287,429	(\$22,994,339 /80 units including mgr. unit)
<b>Allocation per Unit:</b>	\$ 157,388	(\$12,591,000 /80 units including mgr. unit)
<b>Allocation per Restricted Rental Unit:</b>	\$ 159,380	(\$12,591,000 /79 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 7,296,991	\$ 7,296,991
Tranche B Financing (seller carryback)	\$ 5,294,009	\$ 5,294,009
LIH Tax Credit Equity	\$ 5,179,164	\$ 5,913,465
Deferred Developer Fee	\$ 923,732	\$ 636,347
Seller Carryback Loan (Taxable)	\$ 202,727	\$ 202,727
Purchase Reserves	\$ 370,000	\$ 370,000
Reserves Deferred During Construction	\$ 446,915	\$ 0
LACDA AHTF Loan	\$ 1,000,000	\$ 1,000,000
LA County Recast Loan	\$ 2,280,800	\$ 2,280,800
Total Sources	\$ 22,994,338	\$ 22,994,339

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 11,500,000
Rehabilitation	\$ 5,261,852
Relocation	\$ 617,221
Contractor Overhead & Profit	\$ 492,006
Architectural Fees	\$ 170,000
Survey and Engineering	\$ 115,000
Construction Interest and Fees	\$ 440,502
Permanent Financing	\$ 319,298
Legal Fees	\$ 50,000
Reserves	\$ 816,915
Appraisal	\$ 9,000
Hard Cost Contingency	\$ 489,142
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 549,182
Developer Costs	\$ 2,164,221
Total Uses	\$ 22,994,339

**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:**

135 out of 145 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$12,591,000 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	20
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	0
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
<b>Total Points</b>	<b>145</b>	<b>125</b>	<b>135</b>