

**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: Richard Fischer*

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<b>Applicant:</b>	<b>California Municipal Finance Authority</b>
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<b>Allocation Amount Requested:</b>	<b>Tax-exempt:</b> \$15,865,000
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<b>Project Information:</b>	<b>Name:</b> <b>Villa Raymond Apartments</b>
	<b>Project Address:</b> 455 North Raymond Avenue
	<b>Project City, County, Zip Code:</b> Pasadena, Los Angeles, 91103

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<b>Project Sponsor Information:</b>	<b>Name:</b> Standard Villa Raymond Venture LP (Standard Villa Raymond Manager LP & Housing on Merit XIII LLC)
	<b>Principals:</b> Jeffrey Jaeger and Scott Alter for Standard Villa Raymond Manager LP; Jennifer Litwak for Housing on Merit XIII LLC
	<b>Property Management Company:</b> AMC-CA, Inc (dba Apartment Management Consultants, L.L.C.)

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<b>Project Financing Information:</b>	<b>Bond Counsel:</b> Orrick, Herrington & Sutcliffe LLP
	<b>Private Placement Purchaser:</b> Jones Lang LaSalle Multifamily, LLC
	<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> 61
	<b>Manager's Units:</b> 1 Unrestricted
	<b>Type:</b> Acquisition and Rehabilitation
	<b>Population Served:</b> Senior Citizens

Villa Raymond Apartments is an existing project located in Pasadena on a .83-acre site. The project consists of 60 restricted rental units and 1 unrestricted manager unit. The project has 45 studio units and 16 one-bedroom units. The renovations will include building exterior and interior upgrades. Building exterior renovations will consist of stucco repairs, roof replacement, window replacements and a fresh coat of paint. Interior renovations will include leasing office and community room upgrades. Individual apartment units will be updated with a new kitchen appliance package, countertops, cabinets, electrical fixtures, paint and electrical updates. Lastly, common or site area renovations will consist of concrete repairs, asphalt replacement, new lighting and signage. The rehabilitation is expected to begin in October 2020 and will be completed in December 2021.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%

63% (38 units) restricted to 50% or less of area median income households.

37% (22 units) restricted to 60% or less of area median income households.

**Unit Mix:** Studio & 1 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>	\$ 30,406,853	
<b>Estimated Hard Costs per Unit:</b>	\$ 61,821	(\$3,771,058 /61 units including mgr. unit)
<b>Estimated per Unit Cost:</b>	\$ 498,473	(\$30,406,853 /61 units including mgr. unit)
<b>Allocation per Unit:</b>	\$ 260,082	(\$15,865,000 /61 units including mgr. unit)
<b>Allocation per Restricted Rental Unit:</b>	\$ 264,417	(\$15,865,000 /60 restricted units)

<b>Sources of Funds:</b>	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 15,865,000	\$ 15,865,000
Taxable Bond Proceeds	\$ 3,784,000	\$ 3,784,000
LIH Tax Credit Equity	\$ 7,306,024	\$ 8,273,619
Developer Equity	\$ 3,451,829	\$ 2,484,234
Total Sources	\$ 30,406,853	\$ 30,406,853

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 21,000,000
Rehabilitation	\$ 4,040,689
Relocation	\$ 61,000
Contractor Overhead & Profit	\$ 301,684
Architectural Fees	\$ 260,542
Survey and Engineering	\$ 86,847
Construction Interest and Fees	\$ 182,243
Permanent Financing	\$ 147,368
Legal Fees	\$ 335,000
Hard Cost Contingency	\$ 434,237
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 105,414
Developer Costs	\$ 3,451,829
Total Uses	\$ 30,406,853

**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:**

127 out of 145 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$15,865,000 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	7
Community Revitalization Area	5	5	0
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>127</b>