

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
December 9, 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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**Applicant:** Los Angeles County Development Authority

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**Allocation Amount Requested:**  
**Tax-exempt:** \$8,090,000

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**Project Information:**  
**Name:** Cantamar Villas (Scattered Site)  
**Project Address:** 309 Beacon St & 234 Bird Park Rd  
**Project City, County, Zip Code:** Avalon, Los Angeles, 90704

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**Project Sponsor Information:**  
**Name:** Catalina TSA Housing, LP (Catalina TSA Housing LLC & Housing Corporation of America)  
**Principals:** Jordan Pynes, Tyler Monroe, Renee Groves and Thomas L. Safran for Catalina TSA Housing LLC; Carol Cromar, Corey Heimlich and Bonnie Young for Housing Corporation of America  
**Property Management Company:** Thomas Safran & Associates, Inc.

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**Project Financing Information:**  
**Bond Counsel:** Kutak Rock LLP  
**Private Placement Purchaser:** Churchill Mortgage Investment, LLC  
**Cash Flow Permanent Bond:** Not Applicable  
**Public Sale:** Not Applicable  
**Underwriter:** Not Applicable  
**Credit Enhancement Provider:** Not Applicable  
**Rating:** Not Applicable

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**Description of Proposed Project:**  
**State Ceiling Pool:** Rural  
**Total Number of Units:** 38  
**Manager's Units:** 2 Unrestricted  
**Type:** Acquisition and Rehabilitation  
**Population Served:** Family

Cantamar Villas Apartments is an existing Scattered Site project located in Avalon on a total of 2.29-acres. The project consists of 36 restricted rental units and 2 unrestricted manager units. The project has 13 one-bedroom units, 7 two-bedroom units, 16 three-bedroom units and 2 four-bedroom units. The renovations will include building exterior and interior upgrades. Building exterior renovations will consist of retaining wall repairs, roof repairs, window replacements and a fresh coat of paint. Interior renovations will include laundry room, leasing office and community room upgrades. Individual apartment units will be updated with a new appliance package, countertops, cabinets, fixtures, paint and electrical updates. Lastly, common or site area renovations will consist of concrete repairs, asphalt replacement, ADA updates. The rehabilitation is expected to begin in July 2021 and be completed in December 2022.

**Description of Public Benefits:**

**Percent of Restricted Rental Units in the Project:** 100%  
50% (18 units) restricted to 50% or less of area median income households.  
50% (18 units) restricted to 60% or less of area median income households.  
**Unit Mix:** 1, 2, 3 & 4 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>	\$ 15,975,381	
<b>Estimated Hard Costs per Unit:</b>	\$ 65,000	(\$2,470,000 /38 units including mgr. units)
<b>Estimated per Unit Cost:</b>	\$ 420,405	(\$15,975,381 /38 units including mgr. units)
<b>Allocation per Unit:</b>	\$ 212,895	(\$8,090,000 /38 units including mgr. units)
<b>Allocation per Restricted Rental Unit:</b>	\$ 224,722	(\$8,090,000 /36 restricted units)

<b>Sources of Funds:</b>	<u>Construction</u>	<u>Permanent</u>
Tax-Exempt Bond Proceeds	\$ 4,140,000	\$ 4,140,000
Tranche B Financing	\$ 3,950,000	\$ 0
Taxable Bond Proceeds	\$ 2,261,830	\$ 2,261,830
LIH Tax Credit Equity	\$ 290,298	\$ 4,240,298
Deferred Developer Fee	\$ 155,000	\$ 26,939
Cash Reserves from Seller	\$ 600,000	\$ 600,000
City of Avalon	\$ 1,909,388	\$ 1,909,388
Net Income From Operations	\$ 197,237	\$ 197,237
County of Los Angeles	\$ 2,599,689	\$ 2,599,689
Total Sources	<u>\$ 16,103,442</u>	<u>\$ 15,975,381</u>

<b>Uses of Funds:</b>	
Land Cost/Acquisition	\$ 8,610,000
Rehabilitation	\$ 2,667,600
Contractor Overhead & Profit	\$ 197,600
Architectural Fees	\$ 310,500
Construction Interest and Fees	\$ 1,244,767
Permanent Financing	\$ 64,018
Legal Fees	\$ 191,000
Reserves	\$ 468,666
Appraisal	\$ 4,750
Hard Cost Contingency	\$ 286,520
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 329,446
Developer Costs	\$ 1,600,514
Total Uses	<u>\$ 15,975,381</u>

**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:**

115 out of 145 [See Attachment A]

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**Recommendation:**

Staff recommends that the Committee approves \$8,090,000 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	5.00
Gross Rents	5	5	5.00
Leveraging	10	10	10.00
Community Revitalization Area	5	5	0.00
Site Amenities	10	10	10.00
Service Amenities	10	10	10.00
New Construction or Substantial Renovation	10	10	10.00
Sustainable Building Methods	10	10	10.00
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	10.00
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	10.00
Negative Points (No Maximum)	-10	-10	0.00
<b>Total Points</b>	<b>145</b>	<b>125</b>	<b>135.00</b>