

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
September 21, 2016
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Louise Eller

Applicant: California Statewide Communities Development Authority

Allocation Amount Requested:
Tax-exempt: \$18,000,000

Project Information:
Name: Columbia Apartments (Scattered Site)
Project Address: 415 East Adams Boulevard - 90011; 1034 South Catalina Avenue - 90006; 1043 South Kingsley Drive - 90006; 1137 South Bronson Avenue & 1147 South Bronson Avenue - 90019; 1522 West 11th Place - 90015
Project City, County, Zip Code: Los Angeles, Los Angeles, See address for Zip

Project Sponsor Information:
Name: Columbia Associates II, L.P. (IAHI-CA, LLC, Intercontinental Affordable Housing, Inc.)
Principals: Marco Gomez and Juan Carlos Chavez for IAHI-CA, LLC and Intercontinental Affordable Housing, Inc.
Property Management Company: American Real Property Management, Inc.

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: Jones Lang LaSalle Multifamily, LLC
Public Sale: Not Applicable
Underwriter: Not Applicable
TEFRA Noticing Date: March 21, 2016
TEFRA Adoption Date: April 5, 2016

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 122, plus 5 manager units
Type: Acquisition and Rehabilitation
Type of Units: Family/Federally Assisted At-Risk

Columbia Apartments is an existing scattered site project located in Los Angeles. Columbia Apartments consist of six buildings at five sites located in four different neighborhoods. It consists of 77 studios, 36 one-bedroom units and 9 two-bedroom units. Existing and/or planned unit amenities include wall heat, blinds, carpeting, patio/balcony, ceiling fans, and a coat closet. Appliances include a stove/oven, garbage disposal, refrigerator, and it is contemplated that where applicable, there is a desire to add washer/dryer hookups and built-in microwaves in those units where this can be accomplished. The proposed rehabilitation will include new floor coverings, low VOC interior, conversion of gas ranges to electric, refinish roof, replacement of kitchen and bathroom fixtures, rehabilitation of existing common areas used for communal activities, Wi-Fi for all tenants, business center, fitness center and community room. In addition, landscaping will consist of a variety of drought tolerant plants and trees. The rehabilitation is expected to start November 2016 and complete November 2017.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%

34% (42 units) restricted to 50% or less of area median income households.

66% (80 units) restricted to 60% or less of area median income households.

Unit Mix: Studio, 1 & 2 bedrooms

The proposed project will not be providing service amenities.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 35,980,682	
Estimated Hard Costs per Unit:	\$ 46,288	(\$5,647,183 /122 units)
Estimated per Unit Cost:	\$ 283,312	(\$35,980,682 /127 units including manager un
Allocation per Unit:	\$ 147,541	(\$18,000,000 /122 units)
Allocation per Restricted Rental Unit:	\$ 147,541	(\$18,000,000 /122 restricted units)

Sources of Funds:

	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 18,000,000	\$ 18,000,000
LIH Tax Credit Equity	\$ 3,866,854	\$ 11,982,773
Developer Equity	\$ 2,413,827	\$ 0
CAHD Developers, LLC	\$ 0	\$ 1,676,374
Seller Carryback Loan	\$ 9,700,000	\$ 4,000,000
Solar Financing and GP Equity	\$ 2,000,000	\$ 0
Solar Tax Credit Equity	\$ 0	\$ 321,535
Total Sources	\$ 35,980,681	\$ 35,980,682

Uses of Funds:

Land Cost/Acquisition	\$ 24,285,000
Rehabilitation	\$ 6,595,991
Relocation	\$ 63,500
Contractor Overhead	\$ 119,720
Architectural Fees	\$ 105,000
Survey and Engineering	\$ 25,000
Construction Interest and Fees	\$ 933,608
Permanent Financing	\$ 188,000
Reserves	\$ 871,163
Appraisal	\$ 11,500
Contingency Cost	\$ 100,000
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 182,200
Developer Costs	\$ 2,500,000
Total Uses	\$ 35,980,682

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: 89.35 out of 140

[See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$18,000,000 in tax exempt bond allocation.

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
Gross Rents	5	5	5
Large Family Units	5	5	0
Leveraging	10	10	0
Community Revitalization Area	5	5	0
Site Amenities	10	10	9.35
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	10
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	0
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	0
Negative Points (No Maximum)	-10	-10	0
Total Points	140	110	89.35

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.