

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
October 19, 2016
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Ruben Barcelo

Applicant: City of Los Angeles

Allocation Amount Requested:
Tax-exempt: \$6,400,000

Project Information:
Name: Casa Carmen Senior Apartments
Project Address: 1800 W. 11th St.
Project City, County, Zip Code: Los Angeles, Los Angeles, 90006

Project Sponsor Information:
Name: Casa Carmen Senior Apartments LP (1010/Casa Carmen LLC & VH Casa Carmen GP LLC)
Principals: Robert Buente for 1010/Casa Carmen LLC; Peter Barker, Marian Barker, Byron Barker and Ann S. Barker for VH Casa Carmen GP LLC
Property Management Company: Barker Management Inc.

Project Financing Information:
Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: Citibank, N.A.
Public Sale: Not Applicable
Underwriter: Not Applicable
TEFRA Noticing Date: May 23, 2016
TEFRA Adoption Date: June 17, 2016

Description of Proposed Project:
State Ceiling Pool: General
Total Number of Units: 24, plus 1 manager unit
Type: New Construction
Type of Units: Senior Citizens/Special Needs

The project site is a 0.34 acre lot in a residential neighborhood of the Pico Union area of Los Angeles. This demolition/new construction project will provide 24 one-bedroom units and one two-bedroom manager unit in a 3-story apartment building that includes a 4th level roof terrace that will serve as recreational open space. Due to their architectural significance, sections of the original building's brick façade will remain in place to be incorporated into the project design. The project will meet LEED criteria. Amenities include a community room, computer lab, elevator, laundry room, Internet access, and central air conditioning. The targeted demographic is chronically homeless, special needs seniors earning 50% or less of the AMI. Support services will be provided on-site, including links to medical/mental healthcare providers, substance abuse counseling, wellness skill building, and finance/budget education. Neighborhood amenities include a pharmacy, supermarket, park, library, and adjacent public transportation routes. Demolition and construction is scheduled to begin in the first quarter 2017 and to be completed by second quarter 2018.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (24 units) restricted to 50% or less of area median income households.

Unit Mix: One-bedroom

The project's proposed service amenities include assignment of a fulltime bona fide service coordinator/social worker (1,080 hours per year).

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$ 11,502,699	
Estimated Hard Costs per Unit:	\$ 189,366	(\$4,544,773 /24 units)
Estimated per Unit Cost:	\$ 460,108	(\$11,502,699 /25 units including manager unit)
Allocation per Unit:	\$ 266,667	(\$6,400,000 /24 units)
Allocation per Restricted Rental Unit:	\$ 266,667	(\$6,400,000 /24 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 6,400,000	\$ 0
HCD/MHP Supportive Svcs Loan	\$ 0	\$ 3,500,000
City of Los Angeles	\$ 2,050,000	\$ 2,050,000
AHP Loan	\$ 234,446	\$ 234,446
LIH Tax Credit Equity	\$ 2,818,253	\$ 5,132,003
Developer Equity	\$ 0	\$ 400,000
Deferred Developer Fee	\$ 0	\$ 186,250
Total Sources	\$ 11,502,699	\$ 11,502,699
 Uses of Funds:		
Land Cost/Acquisition	\$ 885,458	
Predevelopment Interest/Holding Cost	\$ 222,600	
New Construction	\$ 5,113,612	
Contractor Overhead & Profit	\$ 100,135	
Architectural Fees	\$ 425,000	
Survey and Engineering	\$ 310,000	
Construction Interest and Fees	\$ 910,871	
Permanent Financing	\$ 125,000	
Legal Fees	\$ 140,000	
Reserves	\$ 565,000	
Appraisal	\$ 10,000	
Contingency Cost	\$ 637,406	
Local Development Impact Fees	\$ 150,000	
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 697,351	
Developer Costs	\$ 1,210,266	
Total Uses	\$ 11,502,699	

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:

95 out of 140

[See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$6,400,000 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	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	0
Site Amenities	10	10	10
Service Amenities	10	10	5
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	120	95

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.