

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: Isaac Clark III

Applicant:	City of Los Angeles
Allocation Amount Requested:	Tax-exempt: \$11,037,885
Project Information:	Name: Oatsie's Place Project Address: 16015 Sherman Way Project City, County, Zip Code: Los Angeles, Los Angeles, 91406
Project Sponsor Information:	Name: 16015 Sherman, L.P. (Decro Sherman LLC / Daylight Sherman, LLC / Angelino Supportive Housing Partners, LLC) Principals: Decro Sherman LLC / Daylight Sherman, LLC / Angelino Supportive Housing Partners, LLC Property Management Company: FPI Management, Inc
Project Financing Information:	Bond Counsel: Kutak Rock LLP Private Placement Purchaser: Citibank, N.A. Cash Flow Permanent Bond: Not Applicable Public Sale: Not Applicable Underwriter: Not Applicable Credit Enhancement Provider: Not Applicable Rating: Not Applicable
Description of Proposed Project:	State Ceiling Pool: General Total Number of Units: 46 Manager's Units: 1 Unrestricted Type: New Construction Population Served: Family

Oatsie's Place is a new construction project located in Los Angeles on a .284-acre site. The project consists of 45 restricted rental units and 1 unrestricted manager unit. The project will have 20 Studio units, 25 one-bedroom units, and 1 two- bedroom unit. Residential units are equally sized and distributed. Windows are provided within bedrooms and living rooms, capitalizing on the building's solar orientation for maximum natural lighting and ventilation. Balconies have been excluded as a measure of security and privacy. Common amenities have been located to maximize the usable area of the site, while providing privacy and security throughout the ground floor. This project design will comply with all requirements of 2020 ADA as well as any accessibility standards adopted within 2019 California Building Code, as applicable. Furthermore, the project will reserve a minimum of 4% of the units for visually impaired residents as well as 11% for mobility impaired residents. The construction is expected to begin March 2021 and be completed in March 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (45 units) restricted to 50% or less of area median income households.
Unit Mix: Studio, 1 & 2 bedroom

The proposed project will be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost:	\$	19,777,749	
Estimated Hard Costs per Unit:	\$	256,437	(\$11,796,083 /46 units including mgr. units)
Estimated per Unit Cost:	\$	429,951	(\$19,777,749 /46 units including mgr. units)
Allocation per Unit:	\$	239,954	(\$11,037,885 /46 units including mgr. units)
Allocation per Restricted Rental Unit:	\$	245,286	(\$11,037,885 /45 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 11,037,885	\$ 6,616,902
LIH Tax Credit Equity	\$ 0	\$ 6,311,152
Deferred Developer Fee	\$ 1,350,141	\$ 549,695
Costs Deferred Until Conversion	\$ 356,356	\$ 0
HHH - Tranche A	\$ 6,300,000	\$ 6,300,000
Enterprise Housing Credit Investments	\$ 733,367	\$ 0
Total Sources	\$ 19,777,749	\$ 19,777,749

Uses of Funds:	
Land Cost/Acquisition	\$ 2,451,277
New Construction	\$ 10,288,696
Contractor Overhead & Profit	\$ 916,201
Architectural Fees	\$ 238,600
Survey and Engineering	\$ 182,600
Construction Interest and Fees	\$ 1,082,395
Permanent Financing	\$ 149,000
Legal Fees	\$ 374,500
Reserves	\$ 331,356
Appraisal	\$ 10,000
Hard Cost Contingency	\$ 946,376
Local Development Impact Fees	\$ 116,549
Other Project Costs	\$ 753,018
Developer Costs	\$ 1,937,181
Total Uses	\$ 19,777,749

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:

125 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$11,037,885 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	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	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
Total Points	145	125	125