

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

Applicant:	City of Los Angeles
Allocation Amount Requested:	Tax-exempt: \$17,013,196
Project Information:	Name: Talisa Apartments Project Address: 9502 Van Nuys Blvd. Project City, County, Zip Code: Los Angeles, Los Angeles, 91402
Project Sponsor Information:	Name: 9502 Van Nuys L.P. (9502 VN GP LLC & Domus Development, LLC) Principals: Stephanie Klasky-Gamer for 9502 VN GP LLC; Jong C. Limb, Monique Hastings and Janice Luo for Domus Development, LLC Property Management Company: Domus Management Company
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: 49 Manager's Units: 1 Unrestricted Type: New Construction Population Served: Family/Special Needs

Talisa Apartments is a new construction project located in Los Angeles on a .64-acre site. The project will consist of 48 restricted rental units and 1 unrestricted managers unit. The project will have 4 one-bedroom units, 44 two-bedroom units and 1 three-bedroom unit. The building will be 3-stories over garage parking and storage. Common amenities include a community room, laundry facilities, management offices, staff lounge, conference room, computer room and bicycle storage. Each unit will have energy efficient appliances, low flow plumbing fixtures, energy efficient lighting and furnishings. There will be 30 parking spaces provided. The project will be pursuing GreenPoint Rated Certification. Green features include gray water irrigation, drought tolerant landscaping and recycling 70% of construction waste. The construction is expected to begin march 2021 and be completed in November 2022.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
100% (48 units) restricted to 50% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

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:	\$ 32,833,010	
Estimated Hard Costs per Unit:	\$ 297,870	(\$14,595,652 /49 units including mgr. unit)
Estimated per Unit Cost:	\$ 670,061	(\$32,833,010 /49 units including mgr. unit)
Allocation per Unit:	\$ 347,208	(\$17,013,196 /49 units including mgr. unit)
Allocation per Restricted Rental Unit:	\$ 354,442	(\$17,013,196 /48 restricted units)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 17,013,196	\$ 6,540,000
LIH Tax Credit Equity	\$ 694,396	\$ 6,943,958
Developer Equity	\$ 0	\$ 468,724
Deferred Developer Fee	\$ 480,418	\$ 150,328
HCIDLA HHH	\$ 10,560,000	\$ 10,560,000
LACDA NPLH	\$ 4,085,000	\$ 8,170,000
Total Sources	\$ 32,833,010	\$ 32,833,010

Uses of Funds:	
Land Cost/Acquisition	\$ 5,649,185
New Construction	\$ 15,904,321
Contractor Overhead & Profit	\$ 1,021,696
Architectural Fees	\$ 465,726
Survey and Engineering	\$ 330,800
Construction Interest and Fees	\$ 1,926,977
Permanent Financing	\$ 110,000
Legal Fees	\$ 165,000
Reserves	\$ 900,313
Appraisal	\$ 15,000
Hard Cost Contingency	\$ 852,979
Local Development Impact Fees	\$ 760,000
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 1,762,289
Developer Costs	\$ 2,968,724
Total Uses	\$ 32,833,010

Analyst Comments:

This project is considered a high cost per unit project. The cost per unit above the threshold is justified by high construction costs in the Los Angeles area, due to building requirements, 3rd party inspectors, shortage of labor and prevailing wages.

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:

120 out of 145 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$17,013,196 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
Large Family Units	5	5	0
Gross Rents	5	5	5
Leveraging	10	10	10
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
Total Points	145	125	120