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

Applicant:	City of Los Angeles			
Illocation Amount Requested:				
Tax-exempt:	\$17,013,196			
Duciast Information				
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			
Туре:	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 twobedroom 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.

100%

Description of Public Benefits:

Percent of Restricted Rental Units in the Project:

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	9 units including mgr. unit)	
Estimated per Unit Cost:	\$	670,061 (\$32,833,010 /49 units including mgr.			9 units including mgr. unit)	
Allocation per Unit:	\$	347,208 (\$17,013,196 /49 units including mgr.			9 units including mgr. unit)	
Allocation per Restricted Rental Unit:	\$	354,442				
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	760,000			
Other Project Costs (Soft Costs, Marketing, etc.)	\$	1,762	,289			
Developer Costs	<u>\$</u> \$	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.

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