

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
August 11, 2021

Ramona Metro Point, located at 11016 Ramona Boulevard and 3436-3454 Tyler Avenue in El Monte, requested and is being recommended for a reservation of \$1,067,415 in annual federal tax credits to finance the new construction of 50 units of housing serving tenants with rents affordable to households earning 25-40% of area median income (AMI). The project will be developed by Domus Development, LLC and will be located in Senate District 22 and Assembly District 48.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the NPLH and MHP programs of HCD.

Project Number CA-21-592

Project Name Ramona Metro Point
Site Address: 11016 Ramona Boulevard and 3436-3454 Tyler Avenue
El Monte, CA 91731 County: Los Angeles
Census Tract: 4332.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,067,415	\$0
Recommended:	\$1,067,415	\$0

Applicant Information

Applicant: Ramona Metro Point, L.P. and Domus GP LLC
Contact: Monique Hastings
Address: 9 Cushing, Suite 200
Irvine, CA 92618
Phone: 949-923-7800
Email: mhastings@newportpartners.com

General Partner(s) or Principal Owner(s): Domus GP LLC
AHCDC Ramona LLC
General Partner Type: Joint Venture
Parent Company(ies): Domus Development, LLC
Affordable Housing CDC, Inc.
Developer: Domus Development, LLC
Bond Issuer: LACDA
Investor/Consultant: Alliant Capital
Management Agent: Domus Management Company

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	51
No. / % of Low Income Units:	50 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (24 units - 48%)

Information

Housing Type:	Special Needs
Geographic Area:	Balance of Los Angeles County
TCAC Project Analyst:	Tiffani Negrete

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	25	50%
40% AMI:	25	50%

Unit Mix

24 1-Bedroom Units
12 2-Bedroom Units
15 3-Bedroom Units
51 Total Units

Unit Type & Number	2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
24 1 Bedroom	25%	\$554
1 2 Bedrooms	30%	\$798
11 2 Bedrooms	40%	\$1,064
14 3 Bedrooms	40%	\$1,229
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,370,000
Construction Costs	\$17,736,466
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$924,073
Soft Cost Contingency	\$47,404
Relocation	\$0
Architectural/Engineering	\$715,800
Const. Interest, Perm. Financing	\$1,517,034
Legal Fees	\$145,000
Reserves	\$472,211
Other Costs	\$2,256,744
Developer Fee	\$3,480,699
Commercial Costs	\$0
Total	\$30,665,431

Residential

Construction Cost Per Square Foot:	\$223
Per Unit Cost:	\$601,283
True Cash Per Unit Cost*:	\$526,410

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank - T.E. Bonds	\$14,971,234	Citibank - T.E. Bonds	\$4,825,999
Citibank	\$2,468,529	CalHFA - MHP	\$5,700,000
HCD - NPLH	\$5,470,000	HCD - NPLH	\$5,520,000
City El Monte - Land Loan	\$2,820,731	City of El Monte - Land Loan	\$2,820,731
Deferred Costs	\$472,211	Deferred Developer Fee	\$997,789
Deferred Developer Fee	\$2,500,000	General Partner Equity	\$980,699
General Partner Equity	\$980,704	Tax Credit Equity	\$9,820,213
Tax Credit Equity	\$982,021	TOTAL	\$30,665,431

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$26,685,365
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$26,685,365
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,067,415
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,480,699
Investor/Consultant:	Alliant Capital
Federal Tax Credit Factor:	\$0.92000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions

The estimated cost of the project is \$526,410 per unit. The applicant noted that the high per unit cost is attributed to lack of supply, and price increases for a wide range of building materials such as steel, lumber, plywood, gypsum and plastic products. In addition, impact fees imposed by the City of Monte are high for a

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee's next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.