

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2024 Second Round**

**October 2, 2024**

Harmony Senior Apartments, located at 11410 Burbank Boulevard in Los Angeles, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the new construction of 83 units of housing serving seniors with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by Domus Development, LLC and will be located in Senate District 18 and Assembly District 39.

The project financing includes state funding from the Multifamily Housing Program (MHP) and Infill Infrastructure Grant (IIG) programs of HCD.

**Project Number** CA-24-133

**Project Name** Harmony Senior Apartments  
Site Address: 11410 Burbank Boulevard  
Los Angeles, CA 91601  
County: Los Angeles  
Census Tract: 1252.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

**Applicant Information**

Applicant: Harmony Senior Apartments, L.P.  
Contact: Maurice Ramirez  
Address: 9 Cushing, Suite 200  
Irvine, CA 92618  
Phone: (213)232-1186  
Email: Maurice@domusd.com

General Partner(s) / Principal Owner(s): Domus GP LLC  
Meldia Development LLC  
Spectrum GP LLC  
General Partner Type: Joint Venture  
Parent Company(ies): Domus Development, LLC  
Spectrum Affordable Housing Corporation  
Developer: Domus Development, LLC  
Investor/Consultant: Walker & Dunlop Affordable Equity  
Management Agent(s): Domus Management Co

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 84  
No. & % of Tax Credit Units: 83 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HOME

**Information**

Set-Aside: N/A  
 Housing Type: Seniors  
 Geographic Area: City of Los Angeles  
 CTCAC Project Analyst: Chris Saenz

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	22	25%
At or Below 40% AMI:	41	45%
At or Below 50% AMI:	20	20%

**Unit Mix**

42 SRO/Studio Units
41 1-Bedroom Units
<u>1 2-Bedroom Units</u>
84 Total Units

<u>Unit Type &amp; Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
10 SRO/Studio	30%	\$728
23 SRO/Studio	40%	\$971
9 SRO/Studio	50%	\$1,213
12 1 Bedroom	30%	\$780
18 1 Bedroom	40%	\$1,040
11 1 Bedroom	50%	\$1,300
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$9,270,000
Construction Costs	\$30,843,370
Rehabilitation Costs	\$0
Construction Contingency	\$1,630,131
Relocation	\$0
Architectural/Engineering	\$1,162,285
Const. Interest, Perm. Financing	\$5,113,712
Legal Fees	\$210,000
Reserves	\$232,875
Other Costs	\$2,485,190
Developer Fee	\$2,500,000
Commercial Costs	\$0
<b>Total</b>	<b>\$53,447,563</b>

## Residential

Construction Cost Per Square Foot:	\$559
Per Unit Cost:	\$636,281
True Cash Per Unit Cost*:	\$636,274

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank	\$36,202,182	Citibank	\$2,434,631
HCD: IIG	\$3,661,000	LAHD: HOME <sup>1</sup>	\$8,232,756
Accrued Interest	\$8,232,756	HCD: IIG	\$3,661,000
Deferred Costs	\$232,875	HCD: MHP	\$17,493,634
Deferred Developer Fee	\$1,875,000	Deferred Developer Fee	\$542
Tax Credit Equity	\$3,243,750	Tax Credit Equity	\$21,625,000
		<b>TOTAL</b>	<b>\$53,447,563</b>

\*Less Donated Land, Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

<sup>1</sup>Los Angeles Housing Department - HOME Investment Partnerships Program

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$42,008,517
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$54,611,072
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Walker & Dunlop Affordable Equity
Federal Tax Credit Factor:	\$0.86500

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

### Tie-Breaker Information

Initial:	<b>Letter of Support</b>
First:	<b>Seniors</b>
Self-Score Final:	<b>75.032%</b>
CTCAC Final:	<b>75.032%</b>

**Significant Information / Additional Conditions:** None.

**Resyndication and Resyndication Transfer Event:** None.

### Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

## **Standard Conditions**

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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.

CTCAC 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 CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC 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 CTCAC 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, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, 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 CTCAC 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 CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**Please Note:** If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

**DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.**