

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

HHH New Hampshire, located at 701 S. New Hampshire Ave in Los Angeles, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$8,915,983 in total state tax credits to finance the new construction & adaptive reuse of 93 units of housing serving special needs tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by BRIDGE Housing Corporation and will be located in Senate District 26 and Assembly District 54.

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 Affordable Housing and Sustainable Communities (AHSC) program of HCD.

Project Number CA-24-026

Project Name HHH New Hampshire
Site Address: 701 S. New Hampshire Ave
Los Angeles, CA 90005
County: Los Angeles
Census Tract: 2123.03

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$8,915,983
Recommended:	\$2,500,000	\$8,915,983

* The applicant made an election to sell (Certificate) all or any portion of the state credits.

Applicant Information

Applicant: BRIDGE New Hampshire LLC
Contact: Sierra Atilano
Address: 600 California Street, Suite 900
San Francisco, CA 94108
Phone: (916) 263-2911
Email: satilano@bridgehousing.com

General Partner(s) / Principal Owner(s): BRIDGE New Hampshire LLC
General Partner Type: Nonprofit
Parent Company(ies): BRIDGE Housing Corporation
Developer: BRIDGE Housing Corporation
Investor/Consultant: California Housing Partnership
Management Agent(s): BRIDGE Property Management Company

Project Information

Construction Type: New Construction & Adaptive Reuse
Total # Residential Buildings: 2
Total # of Units: 95
No. & % of Tax Credit Units: 93 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (93 Units - 100%)

Information

Set-Aside: N/A
 Housing Type: Special Needs
 Type of Special Needs: Homeless / Transition Age Youth
 Average Targeted Affordability of Special Needs Project Units: 30.00%
 % of Special Need Units: 93 units 100.00%
 Geographic Area: City of Los Angeles
 CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AML:	93	80%

Unit Mix

93 SRO/Studio Units
 1 2-Bedroom Units
 1 3-Bedroom Units
95 Total Units

Unit Type & Number	2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
93 SRO/Studio	30%	\$662
1 2 Bedrooms	Manager's Unit	\$0
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$7,505,340
Construction Costs	\$41,590,656
Rehabilitation Costs	\$0
Construction Contingency	\$4,224,557
Relocation	\$0
Architectural/Engineering	\$2,134,242
Const. Interest, Perm. Financing	\$9,324,662
Legal Fees	\$105,000
Reserves	\$1,172,995
Other Costs	\$2,266,262
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$70,823,714

Residential

Construction Cost Per Square Foot:	\$1,132
Per Unit Cost:	\$745,513
True Cash Per Unit Cost*:	\$745,513

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Key Bank	\$52,439,009	Key Bank	\$9,058,000
LAHD: HHH ²	\$12,980,000	HCD: AHSC ¹	\$18,855,428
Deferred Costs	\$2,593,926	LAHD: HHH ²	\$12,980,000
Tax Credit Equity	\$2,810,779	Tax Credit Equity	\$29,930,286
		TOTAL	\$70,823,714

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

¹HCD: Affordable Housing and Sustainable Communities

²Los Angeles Housing Department: Proposition HHH Permanent Supportive Housing Loan Program

Determination of Credit Amount(s)

Requested Eligible Basis:	\$29,719,946
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$38,635,930
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$8,915,983
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.91190
State Tax Credit Factor:	\$0.80000

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:	Letter of Support
First:	Special Needs
Self-Score Final:	111.255%
CTCAC Final:	99.329%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$745,513. The applicant noted that the per unit cost is attributed to federal and state prevailing wage requirements, construction costs, and high interest rates, as well as Type III construction and subterranean parking.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, the City of Los Angeles, has completed a site review of this project and strongly supports this project.

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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 3/4 mile of public park or community center open to general public	2	2	2
Within 1 mile of public library	2	2	0
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of an adult education campus or community college	3	3	0
Special Needs project within 1/2 mile of facility serving tenant population	3	3	0
Within 1 mile of medical clinic or hospital	2	2	2
Within 1/2 mile of a pharmacy	2	2	2
In-unit high speed internet service	2	2	2
Service Amenities	10	10	5
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	0
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	104

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.