

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2024 First Round
May 15, 2024

Alma, located at 3518 and 3524 East 1st Street in Los Angeles, requested \$2,376,111 in annual federal tax credits but is being recommended for \$2,374,326 in annual federal tax credits to finance the new construction of 46 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 Wakeland Housing and Development Corporation and will be located in Senate District 26 and Assembly District 52.

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 Infill Infrastructure Grant (IIG) program of HCD.

Project Number CA-24-031

Project Name Alma

Site Address: 3518 and 3524 East 1st Street
 Los Angeles, CA 90063

County: Los Angeles

Census Tract: 5311.01

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,376,111	\$0
Recommended:	\$2,374,326	\$0

Applicant Information

Applicant: Wakeland Alma LP

Contact: Taylor Holland

Address: 1230 Columbia Street, Suite #950
 San Diego, CA 92101

Phone: 619-994-7843

Email: tholland@wakelandhdc.com

General Partner(s) / Principal Owner(s): Wakeland Alma LLC

General Partner Type: Nonprofit

Parent Company(ies): Wakeland Housing and Development Corporation

Developer: Wakeland Housing and Development Corporation

Investor/Consultant: California Housing Partnership

Management Agent(s): ConAm Management Company

Project Information

Construction Type: New Construction

Total # Residential Buildings: 1

Total # of Units: 47

No. & % of Tax Credit Units: 46 100%

Federal Set-Aside Elected: 40%/60%

Federal Subsidy: HUD Section 8 Project-based Vouchers (46 Units - 100%)

Information

Set-Aside: Nonprofit (Homeless assistance)
 Housing Type: Special Needs
 Type of Special Needs: Homeless
 Average Targeted Affordability of Special Needs Project Units: 30.00%
 % of Special Need Units: 46 units 100.00%
 Geographic Area: N/A
 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:	46	80%

Unit Mix

34 SRO/Studio Units
12 1-Bedroom Units
<u>47 Total Units</u>

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
34 SRO/Studio	30%	\$662
12 1 Bedroom	30%	\$709
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,951,063
Construction Costs	\$19,044,615
Rehabilitation Costs	\$0
Construction Contingency	\$2,150,632
Relocation	\$75,000
Architectural/Engineering	\$1,497,400
Const. Interest, Perm. Financing	\$4,272,140
Legal Fees	\$139,871
Reserves	\$449,208
Other Costs	\$2,005,743
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$35,085,672

Residential

Construction Cost Per Square Foot:	\$587
Per Unit Cost:	\$746,504
True Cash Per Unit Cost*:	\$746,504

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo	\$21,999,867	CCRC ¹	\$3,592,000
HCD: IIG	\$3,161,038	HCD: IIG	\$3,512,264
LACDA: AHTF ²	\$6,461,600	LACDA: AHTF ²	\$6,560,000
Deferred Costs	\$1,502,108	Tax Credit Equity	\$21,421,408
Tax Credit Equity	\$1,977,261	TOTAL	\$35,085,672

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

¹California Community Reinvestment Corporation

²Los Angeles County Development Authority: Affordable Housing Trust Fund

Determination of Credit Amount(s)

Requested Eligible Basis:	\$20,308,641
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$26,401,233
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,374,326
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.90221

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

First:	Special Needs
Self-Score Final:	67.805%
CTCAC Final:	67.805%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$746,506. The applicant noted that the per unit cost is attributed to infill of the site, type III construction, and prevailing wages.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, Los Angeles County Development Authority, 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
Negative Points		0	0
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	2
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
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
State Credit Substitution	2	2	2
Total Points	109	109	109

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 REAPPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.