

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
Project Staff Report  
Qualified Private Activity Tax-Exempt Bond Project  
August 6, 2024**

Peak Plaza Apartments, located at 316 East Washington Boulevard in Los Angeles on a 0.64 acre site, requested and is being recommended for a reservation of \$3,362,455 in annual federal tax credits and \$39,799,383 of tax-exempt bond cap to finance the new construction of 104 units of housing, consisting of 102 restricted rental units, and 2 unrestricted manager's units. The project will have 8 studio units, 41 one-bedroom units, 28 two-bedroom units, and 27 three-bedroom units, serving families with rents affordable to households earning 30%-60% of area median income (AMI). The building will be 7 stories and Type I-A and Type III-A construction. Common amenities include bicycle parking, auto parking, community room, courtyard, tot-lot, patios, dog run, laundry rooms, property management and service coordinator offices. Each unit will have a refrigerator, range/oven, dishwasher, microwave, and sink disposal. The construction is expected to begin in February 2025 and be completed in February 2027. The project will be developed by Hollywood Community Housing Corporation and will be located in Senate District 28 and Assembly District 57.

The project financing includes state funding from the Affordable Housing and Sustainable Communities (AHSC) program of HCD.

**Project Number** CA-24-469

**Project Name** Peak Plaza Apartments  
Site Address: 316 East Washington Boulevard  
Los Angeles, CA 90015  
County: Los Angeles  
Census Tract: 2240.20

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$3,362,455	\$0
Recommended:	\$3,362,455	\$0

**Tax-Exempt Bond Allocation**  
Recommended: \$39,799,383

**CTCAC Applicant Information**  
CTCAC Applicant / CDLAC Sponsor: Hollywood Community Housing Corporation  
Contact: Sarah Letts  
Address: 5020 Santa Monica Boulevard  
Los Angeles, CA 90029  
Phone: 323.454.6210  
Email: SLetts@HollywoodHousing.org

**Bond Financing Information**  
CDLAC Applicant/Bond Issuer: City of Los Angeles  
Bond Counsel: Kutak Rock LLP  
Private Placement Purchaser: Citi Community Capital

**Development Team**

General Partner(s) or Principal Owner(s): HCHC Peak Plaza GP, LLC  
 General Partner Type: Nonprofit  
 Parent Company(ies): Hollywood Community Housing Corporation  
 Developer: Hollywood Community Housing Corporation  
 Investor/Consultant: California Housing Partnership  
 Management Agent: Barker Management, Inc

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 1  
 Total # of Units: 104  
 No. / % of Low Income Units: 102 100.00%  
 Average Targeted Affordability: 49.91%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Large Family  
 Geographic Area: City of Los Angeles  
 Set Aside: Extremely Low/Very Low Income Set Aside  
 Homeless Set Aside Units: N/A  
 CDLAC Project Analyst: Christine Shephard  
 CTCAC Project Analyst: Jacob Couch

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	27	26%
50% AMI:	22	22%
60% AMI:	53	52%

**Unit Mix**

8 SRO/Studio Units  
 41 1-Bedroom Units  
 28 2-Bedroom Units  
 27 3-Bedroom Units  


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 104 Total Units

<u>Unit Type &amp; Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 SRO/Studio	30%	\$662
10 1 Bedroom	30%	\$709
7 2 Bedrooms	30%	\$851
7 3 Bedrooms	30%	\$983
1 SRO/Studio	50%	\$1,103
4 1 Bedroom	50%	\$1,182
3 2 Bedrooms	50%	\$1,418
14 3 Bedrooms	50%	\$1,639
4 SRO/Studio	60%	\$1,324
27 1 Bedroom	60%	\$1,419
17 2 Bedrooms	60%	\$1,702
5 3 Bedrooms	60%	\$1,967
1 2 Bedrooms	Manager's Unit	\$0
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$7,944,903
Construction Costs	\$48,034,410
Construction Hard Cost Contingency	\$2,426,253
Soft Cost Contingency	\$383,659
Relocation	\$550,000
Architectural/Engineering	\$1,658,180
Const. Interest, Perm. Financing	\$8,449,460
Legal Fees	\$195,000
Reserves	\$348,004
Other Costs	\$2,122,054
Developer Fee	\$4,500,000
<b>Total</b>	<b>\$76,611,923</b>

**Residential**

Construction Cost Per Square Foot:	\$639
Per Unit Cost:	\$736,653
Estimated Hard Per Unit Cost:	\$412,755
True Cash Per Unit Cost*:	\$736,653

**Construction Financing**

<u>Source</u>	<u>Amount</u>
CitiBank: Tax-Exempt	\$39,799,383
CitiBank: Taxable	\$15,705,069
LAHD: ULA AP <sup>1</sup>	\$10,080,000
LAHD: (HOME) AHMP <sup>2</sup>	\$4,000,000
Deferred Costs	\$1,925,788
General Partner Contribution	\$2,000,000
General Partner Equity	\$100
Tax Credit Equity	\$3,101,583

**Permanent Financing**

<u>Source</u>	<u>Amount</u>
CitiBank: Tax-Exempt	\$8,076,000
LAHD: ULA AP <sup>1</sup>	\$10,080,000
LAHD: (HOME) AHMP <sup>2</sup>	\$4,000,000
HCD: AHSC	\$20,000,000
General Partner Contribution	\$2,000,000
General Partner Equity	\$100
Tax Credit Equity	\$32,455,823
<b>TOTAL</b>	<b>\$76,611,923</b>

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

<sup>1</sup> Los Angeles Housing Department: United to Fund Los Angeles Accelerator Program

<sup>2</sup> Los Angeles Housing Department: (HOME) Affordable Housing Managed Pipeline

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$64,662,612
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$84,061,396
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,362,455
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.96524
State Tax Credit Factor:	\$0.89000

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.

**CTCAC Significant Information / Additional Conditions**

There is commercial space that is included as part of the structures cost and taken into eligible basis. Pursuant to the Eligible Basis Certification provided by a third-party tax attorney, this space is a community service facility that meets the requirements of IRC § 42(d)(4)(C) and the cost is includible in eligible basis. The community space will be designed to serve primarily individuals whose income is 60% or less of area median income.

**CDLAC Analyst Comments**

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.

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 reservation 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.

**CDLAC Additional Conditions**

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

If points were awarded by CDLAC for housing type, the project shall comply with the housing type requirements at the time of CTCAC's Placed In Service review. The housing type requirement shall be conditioned in the CTCAC Regulatory Agreement and CTCAC Compliance staff shall verify the project is meeting those housing type requirements, consistent with California Code of Regulations, title 4, section 10322(i).

<b>Point Criteria</b>	<b>New Const. Max. Points</b>	<b>Rehabilitation Max. Points</b>	<b>Points Scored</b>
Preservation and Other Rehabilitation Project Priorities	0	20	0
New Construction Density and Local Incentives	10	0	10
Exceeding Minimum Income Restrictions	20	20	20
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	9
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
<b>Total Points</b>	120	110	119

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.

**Tie Breaker:** 108.966%