

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

Jubilo Village, located at 4460-4464 Sepulveda Boulevard in Culver City on a 0.95 acre site, requested and is being recommended for a reservation of \$3,103,269 in annual federal tax credits and \$16,703,612 in total state tax credits and \$39,300,420 of tax-exempt bond cap to finance the new construction of 95 units of housing, consisting of 93 restricted rental units, and 2 unrestricted manager's units. The project will have 45 one-bedroom units, 25 two-bedroom units, and 25 three-bedroom units, serving families with rents affordable to households earning 30%-80% of area median income (AMI). The building will be 6 stories - 5 floors of Type III-A over 1 floor Type 1-A garage and Type 1-A subterranean garage construction. Common amenities include laminate flooring, central air conditioning and heating, clubhouse, courtyard, elevators, central laundry facility, on-site management, playground, service coordinator and wireless internet connection in the clubhouse. Each unit will have refrigerators, ovens and dishwashers. The construction is expected to begin in February 2025 and be completed in December 2026. The project will be developed by Community Corporation of Santa Monica and will be located in Senate District 28 and Assembly District 55.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-24-485

Project Name Jubilo Village
Site Address: 4460-4464 Sepulveda Boulevard
Culver City, CA 90230
County: Los Angeles
Census Tract: 7027.00

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$3,103,269	\$16,703,612
Recommended:	\$3,103,269	\$16,703,612

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

Tax-Exempt Bond Allocation
Recommended: \$39,300,420

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Community Corporation of Santa Monica
Contact: Tara Barauskas
Address: 1410 2nd Street, Suite 200
Santa Monica, CA 90401
Phone: 310-394-8487
Email: tbarauskas@communitycorp.org

Bond Financing Information

CDLAC Applicant/Bond Issuer:	California Municipal Finance Authority
Bond Counsel:	Jones Hall, A Professional Law Corporation
Public Sale:	Credit Enhanced
Underwriter:	Fannie Mae
Credit Enhancement Provider:	RBC Capital Markets, LLC

Development Team

General Partner(s) or Principal Owner(s):	4464 Sepulveda Blvd. LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Community Corporation of Santa Monica
Developer:	Community Corporation of Santa Monica
Investor/Consultant:	CTY Housing
Management Agent:	Community Corporation of Santa Monica

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	1	
Total # of Units:	95	
No. / % of Low Income Units:	93	100.00%
Average Targeted Affordability:	50.01%	
Federal Set-Aside Elected:	40%/60% Average Income	
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (93 Units - 100%)	

Information

Housing Type:	Large Family
Geographic Area:	Balance of Los Angeles County
State Ceiling Pool:	New Construction
Set Aside:	Homeless Set Aside
Homeless Set Aside Units:	42
CDLAC Project Analyst:	Erin Deblaquiere
CTCAC Project Analyst:	Nick White

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	10	11%
40% AMI:	24	26%
50% AMI:	35	38%
60% AMI:	14	15%
80% AMI*:	10	11%

*CTCAC restricted only

Unit Mix

45	1-Bedroom Units
25	2-Bedroom Units
25	3-Bedroom Units
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95	Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
7 1 Bedroom	30%	\$709
3 2 Bedrooms	30%	\$851
19 1 Bedroom	40%	\$946
5 2 Bedrooms	40%	\$1,135
5 1 Bedroom	50%	\$1,182
3 2 Bedrooms	50%	\$1,418
13 3 Bedrooms	50%	\$1,639
9 1 Bedroom	50%	\$1,182
5 2 Bedrooms	50%	\$1,418
3 1 Bedroom	60%	\$1,419
5 2 Bedrooms	60%	\$1,702
6 3 Bedrooms	60%	\$1,967
2 1 Bedroom	80%	\$1,892
3 2 Bedrooms	80%	\$2,270
5 3 Bedrooms	80%	\$2,623
1 2 Bedrooms	Manager's Unit	\$0
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$13,300,000
Construction Costs	\$40,640,131
Construction Hard Cost Contingency	\$2,371,448
Soft Cost Contingency	\$294,735
Architectural/Engineering	\$1,575,000
Const. Interest, Perm. Financing	\$9,196,348
Legal Fees	\$580,500
Reserves	\$668,977
Other Costs	\$2,173,819
Developer Fee	\$7,784,120
Total	\$78,585,078

Residential

Construction Cost Per Square Foot:	\$376
Per Unit Cost:	\$827,211
Estimated Hard Per Unit Cost:	\$365,799
True Cash Per Unit Cost*:	\$782,115
Bond Allocation Per Unit:	\$413,689
Bond Allocation Per Restricted Rental Unit:	\$473,499

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Bank of America: Tax-Exempt	\$39,300,420	CPC Mortgage	\$26,409,422
Bank Of America: Taxable	\$18,742,607	CCCHA ¹	\$4,000,000
CCCHA ¹	\$4,000,000	City of Culver City	\$1,000,000
City of Culver City	\$1,000,000	General Partner Equity	\$100
Deferred Costs	\$929,544	Deferred Developer Fee	\$4,284,120
General Partner Equity	\$100	Tax Credit Equity	\$42,891,436
Deferred Developer Fee	\$6,034,120	TOTAL	\$78,585,078
Tax Credit Equity	\$8,578,287		

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

CCCHA¹: City of Culver City Housing Authority

Determination of Credit Amount(s)

Requested Eligible Basis:	\$59,678,254
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$77,581,730
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,103,269
Total State Credit:	\$16,703,612
Approved Developer Fee (in Project Cost & Eligible Basis):	\$7,784,120
Investor/Consultant:	CTY Housing
Federal Tax Credit Factor:	\$0.93000
State Tax Credit Factor:	\$0.84000

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

Development costs are roughly \$782,115 per unit. The factors affecting this cost include land acquisition cost, construction loan interest, and prevailing wages.

The current legal description is part of a larger site and the project site's parcel (legal description and APN) have not yet been finalized. The legal description and APN for CA-24-485 must be completed as part of the placed in service package.

The project will serve 45% Special Needs tenants, consisting of individuals who are homeless.

CDLAC Analyst Comments

None

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.

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).

Point Criteria	New Const. Max. Points	Rehabilitation Max. Points	Points Scored
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	10
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	120

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: 94.874%