

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

Toyon Gardens, located at 3127 W 147th Street in Gardena on a 0.63 acre site, requested and is being recommended for a reservation of \$2,765,924 in annual federal tax credits and \$29,957,662 of tax-exempt bond cap to finance the new construction of 78 units of housing, consisting of 77 restricted rental units, and 1 unrestricted manager's unit. The project will have 15 studio units, 53 one-bedroom units, and 10 two-bedroom units, serving special needs tenants with rents affordable to households earning 30%-60% of area median income (AMI). The building will be six story Type III-A construction. Common amenities include large community room, laundry facilities, bike room, and on-site case manager and services specialist. Each unit will have a refrigerator, and range/oven/cooktop. The construction is expected to begin in February 2025 and be completed in November 2026. The project will be developed by Brilliant Corners and will be located in Senate District 24 and Assembly District 66.

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(s) of HCD and the Community Care Expansion (CCE) grant from the California Department of Social Services.

**Project Number** CA-24-541

**Project Name** Toyon Gardens  
 Site Address: 3127 W 147th Street  
 Gardena, CA 90249  
 County: Los Angeles  
 Census Tract: 6037.06

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,765,924	\$0
Recommended:	\$2,765,924	\$0

**Tax-Exempt Bond Allocation**  
 Recommended: \$29,957,662

**CTCAC Applicant Information**  
 CTCAC Applicant/CDLAC Sponsor: Toyon Gardens, L.P.  
 Contact: Vanessa Luna  
 Address: 854 Folsom Street  
 San Francisco, CA 94107  
 Phone: 213-378-9154  
 Email: vluna@brilliantcorners.org

**Bond Financing Information**  
 CDLAC Applicant/Bond Issuer: Los Angeles Community Development Authority  
 Bond Counsel: Hawkins, Delafield & Wood LLP  
 Private Placement Purchaser: Citibank, N.A.

**Development Team**

General Partner(s) or Principal Owner(s): Toyon Gardens, LLC  
 General Partner Type: Nonprofit  
 Parent Company(ies): Brilliant Corners  
 Developer: Brilliant Corners  
 Investor/Consultant: Enterprise Housing Credit Investments  
 Management Agent: Solari Enterprises, Inc.

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 1  
 Total # of Units: 78  
 No. / % of Low Income Units: 77 100.00%  
 Average Targeted Affordability: 35.58%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (60 Units - 78%)

**Information**

Housing Type: Special Needs  
 Geographic Area: Balance of Los Angeles County  
 State Ceiling Pool: New Construction  
 Set Aside: Homeless Set Aside  
 Homeless Set Aside Units: 60  
 CDLAC Project Analyst: Jake Salle  
 CTCAC Project Analyst: Chris Saenz

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	60	78%
50% AMI:	8	10%
60% AMI:	9	12%

**Unit Mix**

15 SRO/Studio Units  
 53 1-Bedroom Units  
 10 2-Bedroom Units  


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 78 Total Units

<b>Unit Type &amp; Number</b>	<b>2023 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
15 SRO/Studio	30%	\$661
43 1 Bedroom	30%	\$709
2 2 Bedrooms	30%	\$850
5 1 Bedroom	50%	\$1,182
3 2 Bedrooms	50%	\$1,418
5 1 Bedroom	60%	\$1,418
4 2 Bedrooms	60%	\$1,702
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,578,317
Construction Costs	\$37,291,118
Construction Hard Cost Contingency	\$3,690,000
Soft Cost Contingency	\$670,000
Architectural/Engineering	\$2,285,000
Const. Interest, Perm. Financing	\$5,447,108
Legal Fees	\$150,000
Reserves	\$730,939
Other Costs	\$2,791,092
Developer Fee	\$3,500,000
<b>Total</b>	<b>\$60,133,574</b>

**Residential**

Construction Cost Per Square Foot:	\$716
Per Unit Cost:	\$770,943
Estimated Hard Per Unit Cost:	\$410,269
True Cash Per Unit Cost*:	\$765,815
Bond Allocation Per Unit:	\$384,073
Bond Allocation Per Restricted Rental Unit:	\$389,061

**Construction Financing**

Source	Amount
Citibank: Tax-Exempt	\$29,957,662
HCD: IIG	\$2,588,960
DSS: CCE <sup>1</sup>	\$22,683,505
Deferred Costs	\$3,875,588
Tax Credit Equity	\$1,027,859

**Permanent Financing**

Source	Amount
Citibank: Tax-Exempt	\$3,729,495
LACDA: AHTF <sup>1</sup>	\$7,005,067
HCD: IIG	\$2,588,960
DSS: CCE <sup>2</sup>	\$22,683,505
Developer Fee Contribution	\$600,000
Deferred Developer Fee	\$400,000
Tax Credit Equity	\$23,126,547
<b>TOTAL</b>	<b>\$60,133,574</b>

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

<sup>1</sup>Los Angeles County Development Authority: Affordable Housing Trust Fund

<sup>2</sup>California Department of Social Services

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$53,248,337
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$69,222,838
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,765,924
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,500,000
Investor/Consultant:	Enterprise Housing Credit
Federal Tax Credit Factor:	\$0.83612

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**

Staff noted a per unit development cost of \$770,943. The applicant noted that the per unit cost is attributed to construction costs, insurance, prevailing wages, and environmental remediation.

**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).

<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:** 98.783%