

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2024 Second Round**

**October 2, 2024**

Ramona Park Apartments, located at 13870 Ramona Boulevard in Baldwin Park, requested and is being recommended for a reservation of \$1,741,487 in annual federal tax credits and \$5,728,683 in total state tax credits to finance the acquisition and rehabilitation of 48 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Community Preservation Partners, LLC and is located in Senate District 22 and Assembly District 48.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

**Project Number** CA-24-160

**Project Name** Ramona Park Apartments  
**Site Address:** 13870 Ramona Boulevard  
Baldwin Park, CA 91706  
**County:** Los Angeles  
**Census Tract:** 4048.05

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$1,741,487	\$5,728,683
Recommended:	\$1,741,487	\$5,728,683

\* The applicant made an election not to sell (Certificate) any portion of the state credits.

**Applicant Information**

**Applicant:** Ramona Park Community Partners, LP  
**Contact:** Seth Gellis  
**Address:** 17782 Sky Park Circle  
Irvine, CA 92614  
**Phone:** 949-278-3658  
**Email:** sgellis@cpp-housing.com

**General Partner(s) / Principal Owner(s):** CPP - Ramona Park GP, LLC  
FFAH V RP APTS, LLC

**General Partner Type:** Joint Venture  
**Parent Company(ies):** WNC Development Partners 4, LLC  
Foundation for Affordable Housing V, Inc.

**Developer:** Community Preservation Partners, LLC  
**Investor/Consultant:** WNC & Associates, Inc  
**Management Agent(s):** Quality Management Group

**Project Information**

Construction Type: Acquisition and Rehabilitation  
 Total # Residential Buildings: 4  
 Total # of Units: 49  
 No. & % of Tax Credit Units: 48 100%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: HUD Section 8 Project-based Contract (48 units - 100%)

**Information**

Set-Aside: At-Risk  
 Housing Type: At-Risk  
 Geographic Area: N/A  
 CTCAC Project Analyst: Jacob Paixao

**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:	8	15%
At or Below 40% AMI:	8	15%
At or Below 50% AMI:	12	25%
At or Below 60% AMI:	20	40%

**Unit Mix**

12 1-Bedroom Units  
 24 2-Bedroom Units  
13 3-Bedroom Units  
 49 Total Units

<u>Unit Type &amp; Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 2 Bedrooms	30%	\$851
1 3 Bedrooms	30%	\$983
2 1 Bedroom	40%	\$945
4 2 Bedrooms	40%	\$1,134
4 3 Bedrooms	40%	\$1,311
3 1 Bedroom	50%	\$1,182
6 2 Bedrooms	50%	\$1,418
3 3 Bedrooms	50%	\$1,639
5 1 Bedroom	60%	\$1,418
9 2 Bedrooms	60%	\$1,702
4 3 Bedrooms	60%	\$1,967
2 1 Bedroom	30%	\$709
2 2 Bedrooms	30%	\$860
1 3 Bedrooms	30%	\$883
1 2 Bedrooms	Manager's Unit	\$2,595

**Project Cost Summary at Application**

Land and Acquisition	\$23,350,000
Construction Costs	\$0
Rehabilitation Costs	\$4,274,026
Construction Contingency	\$577,402
Relocation	\$122,500
Architectural/Engineering	\$187,481
Const. Interest, Perm. Financing	\$4,056,358
Legal Fees	\$150,000
Reserves	\$385,000
Other Costs	\$344,869
Developer Fee	\$2,293,360
Commercial Costs	\$0
<b>Total</b>	<b>\$35,740,996</b>

**Residential**

Construction Cost Per Square Foot:	\$89
Per Unit Cost:	\$729,408
True Cash Per Unit Cost*:	\$709,000

**Construction Financing**

Source	Amount
CitiBank	\$30,080,985
Net Operating Income	\$551,398
Deferred Developer Fee	\$1,576,725
Tax Credit Equity	\$3,531,888

**Permanent Financing**

Source	Amount
CitiBank	\$14,568,000
Net Operating Income	\$551,398
Deferred Developer Fee	\$1,000,000
Tax Credit Equity	\$19,621,598
<b>TOTAL</b>	<b>\$35,740,996</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis (Rehabilitation):	\$9,452,224
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$22,269,684
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$9,452,224
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$22,269,684
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$850,700
Maximum Annual Federal Credit, Acquisition:	\$890,787
Total Maximum Annual Federal Credit:	\$1,741,487
Total State Credit:	\$5,728,672
Approved Developer Fee in Project Cost:	\$2,293,360
Approved Developer Fee in Eligible Basis:	\$2,293,360
Investor/Consultant:	WNC & Associates, Inc
Federal Tax Credit Factor:	\$0.88000
State Tax Credit Factor:	\$0.75000

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:	<b>At-Risk</b>
Self-Score Final:	<b>20.166%</b>
CTCAC Final:	<b>20.166%</b>

**Significant Information / Additional Conditions**

Staff noted a per unit development cost of \$709,000. The applicant stated that the per unit cost is attributed to the scope of renovations required for a small unit development. In addition, it was noted legal and lender fees remain the same despite being a smaller project.

**Resyndication and Resyndication Transfer Event:** None.

**Local Reviewing Agency**

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

**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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within 1/3 mile of transit, service every 30 minutes in rush hours	6	6	6
Within 1/2 mile of public park or community center open to general public	3	3	3
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 1/4 mile of a public elementary school	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**