

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

**Project Staff Report
2024 Waiting List Project
October 2, 2024**

Prisma Artist Lofts, located at 501 East Mission Boulevard in City of Pomona, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$5,369,477 in total state tax credits to finance the new construction of 74 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by National Community Renaissance of California and will be located in Senate District 22 and Assembly District 53.

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-24-168
Project Name Prisma Artist Lofts
Site Address: 501 East Mission Boulevard
City of Pomona, CA 91766
County: Los Angeles
Census Tract: 4088

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$5,369,477
Recommended:	\$2,500,000	\$5,369,477

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

Applicant Information

Applicant: National Community Renaissance of California
Contact: Lesley Hampton
Address: 9692 Haven, Suite 100
Rancho Cucamonga, CA 91730
Phone: 909-204-3444
Email: lhampton@nationalcore.org

General Partner(s) / Principal Owner(s): NCRC Prisma GP LLC
General Partner Type: Nonprofit
Developer: National Community Renaissance of California
Investor/Consultant: Bank of America
Management Agent(s): National Community Renaissance of California

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 75
No. & % of Tax Credit Units: 74 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (8 units - 11%)

Information

Set-Aside: N/A
 Housing Type: Large Family
 Geographic Area: Balance of Los Angeles County
 CTCAC Project Analyst: Sabrina Yang

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:	21	25%
At or Below 40% AMI:	12	15%
At or Below 50% AMI:	26	35%
At or Below 60% AMI:	15	20%

Unit Mix

27 1-Bedroom Units
27 2-Bedroom Units
21 3-Bedroom Units
<u>75 Total Units</u>

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 1 Bedroom	30%	\$780
2 2 Bedrooms	30%	\$936
5 1 Bedroom	30%	\$780
8 3 Bedrooms	30%	\$1,081
3 1 Bedroom	40%	\$1,040
7 2 Bedrooms	40%	\$1,249
2 3 Bedrooms	40%	\$1,442
9 1 Bedroom	50%	\$1,300
10 2 Bedrooms	50%	\$1,561
7 3 Bedrooms	50%	\$1,803
4 1 Bedroom	60%	\$1,560
7 2 Bedrooms	60%	\$1,873
4 3 Bedrooms	60%	\$2,163
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$8,531,866
Construction Costs	\$29,552,665
Rehabilitation Costs	\$0
Construction Contingency	\$1,967,727
Relocation	\$0
Architectural/Engineering	\$2,080,000
Const. Interest, Perm. Financing	\$3,235,377
Legal Fees	\$295,000
Reserves	\$280,641
Other Costs	\$4,425,675
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$52,868,951

Residential

Construction Cost Per Square Foot:	\$305
Per Unit Cost:	\$704,919
True Cash Per Unit Cost*:	\$704,919

Construction Financing

<u>Source</u>	<u>Amount</u>
Bank of America	\$26,798,242
City of Pomona	\$755,000
City of Pomona: Land	\$4,730,000
City of Pomona: PLHA	\$1,431,000
City of Pomona: ARPA	\$550,000
HCD: IIG	\$4,533,412
HUD Community Project Funding	\$800,000
SGPRC ¹	\$2,200,000
SGVRHT ²	\$2,000,000
Deferred Costs	\$850,306
GP Equity	\$100
Tax Credit Equity	\$8,220,891

Permanent Financing

<u>Source</u>	<u>Amount</u>
Bank of America	\$6,966,468
City of Pomona	\$2,255,000
City of Pomona: Land	\$4,730,000
City of Pomona: PLHA	\$1,431,000
City of Pomona: ARPA	\$550,000
HCD: IIG	\$4,533,412
HUD Community Project Funding	\$800,000
SGPRC ¹	\$2,200,000
SGVRHT ²	\$2,000,000
GP Equity	\$100
Tax Credit Equity	\$27,402,971
TOTAL	\$52,868,951

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

¹San Gabriel Pomona Regional Center

²San Gabriel Valley Regional Housing Trust

Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,777,777
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,777
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$5,369,477
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Bank of America
Federal Tax Credit Factor:	\$0.92000
State Tax Credit Factor:	\$0.82000

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:	Large Family
Self-Score Final:	61.588%
CTCAC Final:	61.588%

Significant Information / Additional Conditions

Staff noted a development cost of \$704,919 per unit. The applicant noted that the per unit cost is attributed to high costs associated with off-site improvements and public parking per the City of Pomona's Conditions of Approval.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Pomona, 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
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1/4 mile of a public elementary school	3	3	0
Within 3/4 mile of a public elementary school	2	0	2
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	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 RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.