

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
 CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
 Project Staff Report  
 Qualified Private Activity Tax-Exempt Bond Project  
 December 11, 2024**

U.S.VETS-WLAVA Building 300, located at 11410 Patton Avenue in Los Angeles on a 2.05 acre site, requested and is being recommended for a reservation of \$2,218,421 in annual federal tax credits and \$23,305,313 of tax-exempt bond cap to finance the new construction & adaptive reuse of 44 units of housing, consisting of 43 restricted rental units and 1 unrestricted manager's unit. The project will have 15 studio units, 25 one-bedroom units, and 4 two-bedroom units, serving special needs tenants with rents affordable to households earning 30%-50% of area median income (AMI). The rehabilitation is expected to begin in June 2025 and be completed in June 2027. The project will be developed by U.S.VETS Housing Corporation and will be located in Senate District 24 and Assembly District 42.

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 Veterans Housing and Homelessness Prevention (VHHP) program of HCD.

**Project Number** CA-24-622

**Project Name** U.S.VETS-WLAVA Building 300  
 Site Address: 11410 Patton Avenue  
 Los Angeles, CA 90049  
 County: Los Angeles  
 Census Tract: 9800

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,218,421	\$0
Recommended:	\$2,218,421	\$0

**Tax-Exempt Bond Allocation**  
 Recommended: \$23,305,313

**CTCAC Applicant Information**  
 CTCAC Applicant/CDLAC Sponsor: U.S.VETS-WLAVA Building 300, LLC  
 Contact: Lori Allgood  
 Address: 800 West 6th Street, Suite 1505  
 Los Angeles, CA 90017  
 Phone: 213-610-7649  
 Email: lallgood@usvets.org

**Bond Financing Information**  
 CDLAC Applicant/Bond Issuer: California Housing Finance Agency  
 Bond Counsel: Orrick, Herrington & Sutcliffe LLP  
 Private Placement Purchaser: Citibank, N.A.

**Development Team**

General Partner(s) or Principal Owner(s): U.S.VETS - WLAVA Building 300, LLC  
 Kingdom WLAVA Building 300, LLC  
 General Partner Type: Nonprofit  
 Parent Company(ies): U.S.VETS Housing Corporation  
 Kingdom Development, Inc.  
 Developer: U.S.VETS Housing Corporation  
 Investor/Consultant: CREA LLC  
 Management Agent: Hyder Property Management Professionals

**Project Information**

Construction Type: New Construction & Adaptive Reuse  
 Total # Residential Buildings: 1  
 Total # of Units: 44  
 No. / % of Low Income Units: 43 100.00%  
 Average Targeted Affordability: 42.09%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt / HUD Community Project Funding (CPF) / HUD Section 8  
 Project-based Vouchers (43 Units - 100%) / US Department of  
 Veterans Affairs (US VA)

**Information**

Housing Type: Special Needs  
 Geographic Area: Balance of Los Angeles County  
 State Ceiling Pool: New Construction  
 Set Aside: N/A  
 Homeless Set Aside Units: 33  
 CDLAC Project Analyst: Jake Salle  
 CTCAC Project Analyst: Nick White

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	17	40%
50% AMI:	26	60%

**Unit Mix**

15 SRO/Studio Units
25 1-Bedroom Units
4 2-Bedroom Units
<u>44 Total Units</u>

<b>Unit Type &amp; Number</b>	<b>2024 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
8 SRO/Studio	30%	\$728
7 SRO/Studio	50%	\$1,213
7 1 Bedroom	30%	\$780
7 1 Bedroom	50%	\$1,300
10 1 Bedroom	50%	\$1,300
2 2 Bedrooms	30%	\$936
2 2 Bedrooms	50%	\$1,560
1 1 Bedroom	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$120,000
Construction Costs	\$26,302,469
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,651,019
Soft Cost Contingency	\$350,000
Relocation	\$0
Architectural/Engineering	\$3,644,619
Const. Interest, Perm. Financing	\$5,803,866
Legal Fees	\$385,000
Reserves	\$2,008,979
Other Costs	\$1,032,457
Developer Fee	\$5,564,601
Commercial Costs	\$0
<b>Total</b>	<b>\$47,863,010</b>

**Residential**

Construction Cost Per Square Foot:	\$655
Per Unit Cost:	\$1,087,796
Estimated Hard Per Unit Cost:	\$521,810
True Cash Per Unit Cost*:	\$1,016,992
Bond Allocation Per Unit:	\$529,666
Bond Allocation Per Restricted Rental Unit:	\$541,984

**Construction Financing**

Source	Amount
Citibank: Tax-Exempt	\$23,305,313
Citibank: Taxable	\$10,808,670
HUD: CPF	\$749,600
The Home Depot Foundation	\$300,000
Deferred Costs	\$9,100,868
Tax Credit Equity	\$3,598,559

**Permanent Financing**

Source	Amount
Citibank: Tax Exempt	\$4,955,609
HUD: CPF	\$749,600
US VA: Capital Contribution	\$5,176,991
HCD: VHHP	\$9,575,074
The Home Depot Foundation	\$300,000
Deferred Developer Fee	\$3,115,343
Tax Credit Equity	\$18,078,323
<b>TOTAL</b>	<b>\$47,863,010</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$42,661,943
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$55,460,526
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,218,421
Approved Developer Fee (in Project Cost & Eligible Basis):	\$5,564,601
Federal Tax Credit Factor:	\$0.81492

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 \$1,016,992 per unit. The factors affecting this cost includes elevated interest rates, seismic upgrades and preservation of historical resources, construction supply chain issues, and prevailing wage requirements.

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

**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	10
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	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:** 90.907%