

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

The project, 1250 West Jeff, located at 1250 West Jefferson Boulevard in Los Angeles on a 0.67 acre site, requested and is being recommended for a reservation of \$4,389,221 in annual federal tax credits and \$47,767,550 of tax-exempt bond cap to finance the new construction of 122 units of housing, consisting of 121 restricted rental units and 1 unrestricted manager's unit. The project will have 15 studio units, 29 one-bedroom units, 42 two-bedroom units, and 36 three-bedroom units, serving families with rents affordable to households earning 30%-80% of area median income (AMI). The construction is expected to begin in June 2025 and be completed in June 2027. The project will be developed by Community Builders Group and will be located in Senate District 28 and Assembly District 57.

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

Project Number CA-24-671

Project Name 1250 West Jeff
 Site Address: 1250 West Jefferson Boulevard
 Los Angeles, CA 90007
 County: Los Angeles
 Census Tract: 2226.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$4,389,221	\$0
Recommended:	\$4,389,221	\$0

Tax-Exempt Bond Allocation
 Recommended: \$47,767,550

CTCAC Applicant Information
 CTCAC Applicant/CDLAC Sponsor: South Catalina Street I LP
 Contact: Joseph Seager
 Address: 424 North Lake Avenue, Suite 305
 Pasadena, CA 91101
 Phone: (626) 797-3888
 Email: seager@theCBG.com

Bond Financing Information
 CDLAC Applicant/Bond Issuer: California Municipal Finance Authority
 Bond Counsel: Jones Hall, A Professional Law Corporation
 Private Placement Purchaser: Rose Community Capital, LLC

Development Team
 General Partner(s) or Principal Owner(s): Central Valley Coalition for Affordable Housing
 West Jefferson Investment LLC
 General Partner Type: Joint Venture
 Parent Company(ies): Central Valley Coalition for Affordable Housing
 Community Builders Group, LLC
 Developer: Community Builders Group
 Investor/Consultant: Walker & Dunlop
 Management Agent: WinnResidential California L.P

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 122
 No. / % of Low Income Units: 121 100.00%
 Average Targeted Affordability: 58.14%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Contract
 (122 Units - 100%)

Information

Housing Type: Large Family
 Geographic Area: City of Los Angeles
 State Ceiling Pool: New Construction
 Set Aside: N/A
 CDLAC Project Analyst: Anthony Wey
 CTCAC Project Analyst: Chris Saenz

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	13	11%
50% AMI:	13	11%
60% AMI:	79	65%
80% AMI*:	16	13%

*CTCAC restricted only

Unit Mix

15 SRO/Studio Units
 29 1-Bedroom Units
 42 2-Bedroom Units
36 3-Bedroom Units
 122 Total Units

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
2 SRO/Studio	30%	\$728
2 SRO/Studio	50%	\$1,213
8 SRO/Studio	60%	\$1,456
3 SRO/Studio	80%	\$1,867
3 1 Bedroom	30%	\$780
3 1 Bedroom	50%	\$1,300
13 1 Bedroom	60%	\$1,560
4 1 Bedroom	60%	\$1,560
5 1 Bedroom	80%	\$2,002
4 2 Bedrooms	30%	\$936
4 2 Bedrooms	50%	\$1,560
4 2 Bedrooms	60%	\$1,872
23 2 Bedrooms	60%	\$1,872
7 2 Bedrooms	80%	\$2,496
4 3 Bedrooms	30%	\$1,081
4 3 Bedrooms	50%	\$1,803
27 3 Bedrooms	60%	\$2,163
1 3 Bedrooms	80%	\$2,885
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,119,600
Construction Costs	\$57,578,693
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$3,327,909
Soft Cost Contingency	\$1,250,000
Relocation	\$0
Architectural/Engineering	\$661,175
Const. Interest, Perm. Financing	\$7,939,152
Legal Fees	\$785,000
Reserves	\$1,397,946
Other Costs	\$4,416,675
Developer Fee	\$11,009,751
Commercial Costs	\$0
Total	\$92,485,901

Residential

Construction Cost Per Square Foot:	\$536
Per Unit Cost:	\$758,081
Estimated Hard Per Unit Cost:	\$399,150
True Cash Per Unit Cost*:	\$703,383
Bond Allocation Per Unit:	\$391,537
Bond Allocation Per Restricted Rental Unit:	\$454,929

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
RCC ¹ : Tax-Exempt	\$47,767,550	RCC ¹ : Tax-Exempt	\$48,065,435
RCC ¹ : Recycled Tax-Exempt	\$297,885	Deferred Developer Fee	\$6,673,168
Sterling Bank (SB): Taxable	\$16,899,893	Tax Credit Equity	\$37,747,298
SB: Recycled Tax-Exempt	\$7,563,417	TOTAL	\$92,485,901
Deferred Costs	\$1,397,946		
Deferred Developer Fee	\$11,009,751		
Tax Credit Equity	\$7,549,459		

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

¹Rose Community Capital

Determination of Credit Amount(s)

Requested Eligible Basis:	\$84,408,091
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$109,730,518
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$4,389,221
Approved Developer Fee (in Project Cost & Eligible Basis):	\$11,009,751
Federal Tax Credit Factor:	\$0.86000

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 \$703,383. The applicant noted that the per unit cost is attributed to prevailing wages, type III construction costs, and the in-fill nature of the site.

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-24-671 must be completed as part of the placed in service package.

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	9
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	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: 117.357%