

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

Weingart Tower 1B, located at 554-562 South San Pedro Street in Los Angeles on a 0.23 acre site, requested and is being recommended for a reservation of \$4,158,853 in annual federal tax credits and \$45,163,792 of tax-exempt bond cap to finance the new construction of 104 units of housing, consisting of 103 restricted rental units and 1 unrestricted manager's unit. The project will have 103 studio units, 1 two-bedroom unit, serving special needs tenants with rents affordable to households earning 20%-50% of area median income (AMI). The construction is expected to begin in May 2025 and be completed in March 2027. The project will be developed by Weingart Center Association 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 Vouchers. The project financing includes state funding from the No Place Like Home (NPLH) and Multifamily Housing Program (MHP) programs of HCD.

**Project Number** CA-24-751

**Project Name** Weingart Tower 1B  
Site Address: 554-562 South San Pedro Street  
Los Angeles, CA 90013  
County: Los Angeles  
Census Tract: 2063.03

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$4,158,853	\$0
Recommended:	\$4,158,853	\$0

**Tax-Exempt Bond Allocation**  
Recommended: \$45,163,792

**CTCAC Applicant Information**  
CTCAC Applicant/CDLAC Sponsor: Weingart Tower 1B, LP  
Contact: Ben Rosen  
Address: 566 South San Pedro Street  
Los Angeles, CA 90013  
Phone: 213.689.2183  
Email: benr@weingart.org

**Bond Financing Information**  
CDLAC Applicant/Bond Issuer: Los Angeles Housing Department  
Bond Counsel: Kutak Rock LLP  
Private Placement Purchaser: U.S. Bank National Association

**Development Team**

General Partner(s) or Principal Owner(s): WC Towers 1B LLC  
 Related/554 S. San Pedro Development Co., LLC

General Partner Type: Joint Venture

Parent Company(ies): Weingart Center Association  
 The Related Companies of California, LLC

Developer: Weingart Center Association

Investor/Consultant: US Bank Corp.

Management Agent: Barker Management, Incorporated

**Project Information**

Construction Type: New Construction

Total # Residential Buildings: 1

Total # of Units: 104

No. / % of Low Income Units: 103 100.00%

Average Targeted Affordability: 29.86%

Federal Set-Aside Elected: 40%/60%

Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers  
 (103 Units - 100%)

**Information**

Housing Type: Special Needs

Geographic Area: City of Los Angeles

State Ceiling Pool: New Construction

Set Aside: N/A

Homeless Set Aside Units: 103

CDLAC Project Analyst: Erin Deblaquiere

CTCAC Project Analyst: Jacob Paixao

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	81	79%
50% AMI:	22	21%

**Unit Mix**

103 SRO/Studio Units
1 2-Bedroom Units
<b>104 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2024 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
28 SRO/Studio	20%	\$485
40 SRO/Studio	30%	\$728
13 SRO/Studio	30%	\$728
22 SRO/Studio	50%	\$1,021
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$4,149,749
Construction Costs	\$56,098,772
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$4,079,100
Soft Cost Contingency	\$550,000
Relocation	\$0
Architectural/Engineering	\$884,000
Const. Interest, Perm. Financing	\$5,787,985
Legal Fees	\$538,000
Reserves	\$1,260,918
Other Costs	\$6,247,809
Developer Fee	\$10,431,905
Commercial Costs	\$0
<b>Total</b>	<b>\$90,028,238</b>

**Residential**

Construction Cost Per Square Foot:	\$1,048
Per Unit Cost:	\$865,656
Estimated Hard Per Unit Cost:	\$448,683
True Cash Per Unit Cost*:	\$853,637
Bond Allocation Per Unit:	\$434,267
Bond Allocation Per Restricted Rental Unit:	\$438,483

**Construction Financing**

Source	Amount
U.S. Bank: Tax Exempt	\$45,163,792
LACDA <sup>1</sup> : NPLH	\$10,078,000
LAHD: HHH	\$16,000,000
HHH: Deferred Interest	\$881,000
Deferred Costs	\$1,155,086
General Partner Contribution	\$7,931,905
Deferred Developer Fee	\$1,250,000
General Partner Equity	\$100
Tax Credit Equity	\$7,568,355

**Permanent Financing**

Source	Amount
U.S. Bank	\$10,310,000
HCD: MHP	\$6,985,455
LACDA <sup>1</sup> : NPLH	\$10,078,000
LAHD: HHH	\$16,000,000
HHH: Deferred Interest	\$881,000
General Partner Contribution	\$7,931,905
General Partner Equity	\$100
Tax Credit Equity	\$37,841,778
<b>TOTAL</b>	<b>\$90,028,238</b>

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

<sup>1</sup>Los Angeles County Development Authority

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$79,977,944
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$103,971,327
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$4,158,853
Approved Developer Fee (in Project Cost & Eligible Basis):	\$10,431,905
Federal Tax Credit Factor:	\$0.90991

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 development cost of \$853,637 per unit. Applicant noted costs are due to prevailing wage requirements, construction costs associated with small build site staging, and building an 11 story high-rise. Additionally, applicant noted all units would be fully furnished.

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

The project will restrict 103 (100%) of the units to serve special needs tenants, consisting of homeless individuals.

**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:** 108.815%