

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

Cudahy Seniors, located at 4610 Santa Ana Street in Cudahy on a 1.34 acre site, requested and is being recommended for a reservation of \$5,090,331 in annual federal tax credits and \$52,300,000 of tax-exempt bond cap to finance the new construction of 140 units of housing, consisting of 138 restricted rental units and 2 unrestricted manager's units. The project will have 129 one-bedroom units, and 11 two-bedroom units, serving special needs tenants with rents affordable to households earning 30%-50% 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 National Community Renaissance of California and will be located in Senate District 33 and Assembly District 64.

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 Infill Infrastructure Grant (IIG) programs of HCD.

Project Number CA-24-775

Project Name Cudahy Seniors
Site Address: 4610 Santa Ana Street
Cudahy, CA 90201

County: Los Angeles
Census Tract: 5343.01

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$5,090,331	\$0
Recommended:	\$5,090,331	\$0

Tax-Exempt Bond Allocation
Recommended: \$52,300,000

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor: Cudahy Senior Apartments LP
Contact: Kevin Chin
Address: 9692 Haven Avenue, Suite 100
Rancho Cucamonga, CA 91730

Phone: 909-969-4168
Email: kchin@nationalcore.org

Bond Financing Information

CDLAC Applicant/Bond Issuer: Los Angeles County Development Authority
Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: Citi Community Capital

Development Team

General Partner(s) or Principal Owner(s):	NCRC CS GP LLC PRIMA CS GP LLC
General Partner Type:	Nonprofit
Parent Company(ies):	National Community Renaissance of California Prima Development
Developer:	National Community Renaissance of California
Investor/Consultant:	Bank of America, N.A.
Management Agent:	National Community Renaissance of California

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	1	
Total # of Units:	140	
No. / % of Low Income Units:	138	100.00%
Average Targeted Affordability:	33.99%	
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt / HOME - American Rescue Plan (ARP) / HUD Section 8 Project-based Vouchers (69 Units - 50%) / Affordable Housing Trust Fund (AHTF)	

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:	69
CDLAC Project Analyst:	Erin Deblaquiere
CTCAC Project Analyst:	Jacob Paixao

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	97	70%
40% AMI:	27	20%
50% AMI:	14	10%

Unit Mix

129 1-Bedroom Units
<u>11 2-Bedroom Units</u>
140 Total Units

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
68 1 Bedroom	30%	\$780
1 1 Bedroom	30%	\$780
26 1 Bedroom	30%	\$780
24 1 Bedroom	40%	\$1,040
10 1 Bedroom	50%	\$1,300
2 2 Bedrooms	30%	\$936
3 2 Bedrooms	40%	\$1,248
4 2 Bedrooms	50%	\$1,560
2 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,398,865
Construction Costs	\$71,399,804
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$3,638,994
Soft Cost Contingency	\$100,000
Relocation	\$0
Architectural/Engineering	\$2,224,032
Const. Interest, Perm. Financing	\$6,641,278
Legal Fees	\$250,000
Reserves	\$785,000
Other Costs	\$3,879,454
Developer Fee	\$11,418,396
Commercial Costs	\$0
Total	\$101,735,823

Residential

Construction Cost Per Square Foot:	\$886
Per Unit Cost:	\$726,684
Estimated Hard Per Unit Cost:	\$437,196
True Cash Per Unit Cost*:	\$708,827
Bond Allocation Per Unit:	\$373,571
Bond Allocation Per Restricted Rental Unit:	\$378,986

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank: Tax-Exempt	\$52,300,000	Citibank: Tax-Exempt	\$13,161,000
LACDA ¹ : HOME-ARP	\$3,000,000	LACDA ¹ : HOME-ARP	\$3,000,000
HCD: IIG	\$6,700,000	HCD: IIG	\$6,700,000
LACDA ¹ : AHTF	\$5,000,000	LACDA ¹ : AHTF	\$5,000,000
LACDA ¹ : NPLH	\$3,240,000	LACDA ¹ : NPLH	\$3,240,000
LACDA ¹ : 4th DCP ²	\$10,000,000	LACDA ¹ : 4th DCP ²	\$10,000,000
City of Cudahy	\$1,500,000	City of Cudahy	\$1,500,000
FHLB: AHP ³	\$1,000,000	FHLB: AHP ³	\$1,000,000
Deferred Costs	\$1,222,000	Deferred Developer Fee	\$1,367,314
Deferred Developer Fee	\$2,500,000	General Partner Equity	\$8,918,396
General Partner Equity	\$8,918,396	Tax Credit Equity	\$47,849,113
Tax Credit Equity	\$6,355,427	TOTAL	\$101,735,823

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

¹Los Angeles County Development Authority

²District Community Program

³Federal Home Loan Bank of San Francisco: Affordable Housing Program

Determination of Credit Amount(s)

Requested Eligible Basis:	\$97,918,643
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$127,294,235
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$5,090,331
Approved Developer Fee (in Project Cost & Eligible Basis):	\$11,418,396
Federal Tax Credit Factor:	\$0.94000

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 \$708,827. The applicant noted the cost per unit is due to increased costs related to construction, and prevailing wage requirements. Additionally, the applicant noted the projects unique site conditions that require a health protective mitigation plan to address liquefaction and soil vapor issues.

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: 116.792%