

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**Tax-Exempt Bond Project**  
**April 14, 2020**

La Prensa Libre Apartments, located at 200 E. Washington Blvd. in Los Angeles, requested and is being recommended for a reservation of \$1,700,281 in annual federal tax credits and \$11,138,301 in total state tax credits to finance the new construction of 62 units of housing serving tenants with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by AMCAL Enterprises, Inc. and will be located in Senate District 30 and Assembly District 59.

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 NPLH program of HCD.

**Project Number** CA-20-547

**Project Name** La Prensa Libre Apartments  
**Site Address:** 200 E. Washington Blvd.  
 Los Angeles, CA 90015 County: Los Angeles  
**Census Tract:** 2240.20

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$1,700,281	\$11,138,301
Recommended:	\$1,700,281	\$11,138,301

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

**Applicant Information**

**Applicant:** AMCAL Washington Fund, L.P.  
**Contact:** Arjun Nagarkatti  
**Address:** 30141 Agoura Rd Ste 100  
 Agoura Hills, CA 91301  
**Phone:** 818-706-0694  
**Email:** apratt@amcalhousing.com

**General Partner(s) or Principal Owner(s):** Coalition of Responsible Community Development  
 AMCAL Multi-Housing Inc.  
**General Partner Type:** Joint Venture  
**Parent Company(ies):** Coalition of Responsible Community Development  
 AMCAL Multi-Housing Inc.  
**Developer:** AMCAL Enterprises, Inc.  
**Investor/Consultant:** Hudson Housing Capital  
**Management Agent:** FPI Management Inc.

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 1  
 Total # of Units: 63  
 No. / % of Low Income Units: 62 100.00%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (40 units - 25%)

**Bond Information**

Issuer: HCIDLA  
 Expected Date of Issuance: September 1, 2020

**Information**

Housing Type: Non-Targeted  
 Geographic Area: City of Los Angeles  
 TCAC Project Analyst: Jack Waegell

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 25	40%
60% AMI: 37	60%

**Unit Mix**

32 1-Bedroom Units  
 15 2-Bedroom Units  
 16 3-Bedroom Units  


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 63 Total Units

<u>Unit Type &amp; Number</u>	<u>2019 Rents Targeted % of Area Median Income</u>	<u>2019 Rents Actual % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
25 1 Bedroom	30%	21%	\$416
7 1 Bedroom	60%	60%	\$1,175
14 2 Bedrooms	60%	60%	\$1,410
16 3 Bedrooms	60%	60%	\$1,629
1 2 Bedrooms	Manager's Unit	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$11,816,307
Construction Costs	\$27,802,107
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,394,065
Soft Cost Contingency	\$437,148
Relocation	\$1,596,889
Architectural/Engineering	\$1,952,391
Const. Interest, Perm. Financing	\$2,780,866
Legal Fees	\$628,814
Reserves	\$257,433
Other Costs	\$2,291,676
Developer Fee	\$4,795,766
Commercial Costs	\$0
<b>Total</b>	<b>\$55,753,462</b>

**Residential**

Construction Cost Per Square Foot:	\$229
Per Unit Cost:	\$884,976
True Cash Per Unit Cost*:	\$884,915

**Construction Financing**

Source	Amount
Chase Bank	\$27,200,000
City Donated Land	\$7,500,000
HCIDLA AHTF	\$6,334,820
LACDC NPLH	\$3,750,000
REA Payment	\$1,184,617
Deferred fees and costs	\$4,760,815
Tax Credit Equity	\$5,023,210

**Permanent Financing**

Source	Amount
Chase Bank - Bond Proceeds	\$7,368,414
City Donated Land	\$7,500,000
HCIDLA AHTF	\$6,334,820
LACDC NPLH	\$3,750,000
REA Payment	\$1,184,617
General Partner Contribution	\$4,495,766
Deferred Developer Fee	\$3,797
Tax Credit Equity	\$25,116,048
<b>TOTAL</b>	<b>\$55,753,462</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$40,367,539
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$52,477,801
Applicable Rate:	3.24%
Maximum Annual Federal Credit:	\$1,700,281
Total State Credit:	\$11,138,301
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,795,766
Investor/Consultant:	Hudson Housing Capital
Federal Tax Credit Factor:	\$0.94000
State Tax Credit Factor:	\$0.82000

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.

**Eligible Basis and Basis Limit**

Requested Unadjusted Eligible Basis:	\$40,367,539
Actual Eligible Basis:	\$40,367,539
Unadjusted Threshold Basis Limit:	\$25,299,264
Total Adjusted Threshold Basis Limit:	\$57,418,173

**Adjustments to Basis Limit**

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

Parking Beneath Residential Units or On-Site Parking Structure of Two or More Levels

One or more Energy Efficiency/Resource Conservation/Indoor Air Quality Features:

- Project has onsite renewable generation estimated to produce 75% or more of annual common area electricity use as indicated in TCAC Regulations.
- Irrigate only with reclaimed water, greywater, or rainwater (excepting water used for Community Gardens) or irrigate with reclaimed water, grey water, or rainwater in an amount that annually equals or exceeds 20,000 gallons or 300 gallons per unit, whichever is less.
- Install bamboo, stained concrete, cork, salvaged or FSC-Certified wood, natural linoleum, natural rubber, or ceramic tile in all interior floor space other than units (where no VOC adhesives or backing

Local Development Impact Fees

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 80%

**Cost Analysis and Line Item Review**

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC’s underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC’s financial evaluation at project completion will determine the final allocation.

**Significant Information / Additional Conditions**

The La Prensa Libre Apartments is a newly constructed 105 unit building with structured parking. Of the total 105 units, 63 units are part of this application, the other 42 units will be developed using tax credits to be awarded at a later date.

**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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

**CDLAC Additional Conditions**

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.