

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2021 First Round

June 16, 2021

The Village at Douglas, located at 338, 348, 352 Douglas Street in Los Angeles, requested and is being recommended for a reservation of \$847,225 in annual federal tax credits and \$2,824,082 in total state tax credits to finance the new construction of 60 units of housing serving seniors with rents affordable to households earning 30-80% of area median income (AMI). The project will be developed by Global Premier Development, Inc. and will be located in Senate District 24 and Assembly District 51.

Project Number	CA-21-021	
Project Name	The Village at Douglas	
Site Address:	338, 348, 352 Douglas Street	
	Los Angeles CA, 90026 County: Los Angeles	
Census Tract:	2080.00	
Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$847,225	\$2,824,082
Recommended:	\$847,225	\$2,824,082
approves the pending appeal:		

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant:	Global Premier Development, Inc.
Contact:	Andrew Hanna
Address:	2010 Main Street Suite 1250
	Irvine CA, 92614 92614
Phone:	(949) 777-6931
Email:	Andrew@globalpremierdevelopment.com
General Partner(s) / Principal Owner(s):	Global Premier Development, Inc.
	Living Hope Housing Foundation
General Partner Type:	Joint Venture
Parent Company(ies):	Global Premier Development, Inc.
	Living Hope Housing Foundation
Developer:	Global Premier Development, INC.
Investor/Consultant:	Hunt Capital Partners, LLC
Management Agent(s):	FPI Management, INC.

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	500
No. & % of Tax Credit Units:	60 12%
Federal Set-Aside Elected:	40%/60% Average Income

Information

Set-Aside: N/A
Housing Type: Seniors
Geographic Area: City of Los Angeles
TCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

Aggregate Targeting Number of Units	Percentage of Affordable Units
At or Below 30% AMI:	6
At or Below 40% AMI:	22
At or Below 50% AMI:	14
At or Below 60% AMI:	7
At or Below 70% AMI:	6
At or Below 80% AMI:	5

Unit Mix

499 SRO/Studio Units
1 2-Bedroom Units
500 Total Units

Unit Type & Number	2020 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
6 SRO/Studio	30%	\$591
22 SRO/Studio	40%	\$789
14 SRO/Studio	50%	\$986
7 SRO/Studio	60%	\$1,183
6 SRO/Studio	70%	\$1,380
5 SRO/Studio	80%	\$1,578
1 2 Bedrooms	Manager's Unit	\$0
3 SRO/Studio	Manager's Unit	\$0
341 SRO/Studio	Market Rate Unit	\$455,917
95 SRO/Studio	Market Rate Unit	\$145,825

Project Cost Summary at Application

Land and Acquisition	\$14,250,000
Construction Costs	\$65,349,929
Rehabilitation Costs	\$0
Construction Contingency	\$1,385,837
Relocation	\$0
Architectural/Engineering	\$2,138,294
Const. Interest, Perm. Financing	\$4,437,760
Legal Fees	\$51,100
Reserves	\$1,709,920
Other Costs	\$2,998,879
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$94,521,720

Residential

Construction Cost Per Square Foot:	\$314
Per Unit Cost:	\$189,043
True Cash Per Unit Cost*:	\$186,843

Construction Financing

Source	Amount
HHF / HUD 221(d)(4)	\$82,549,000
Deferred Developer Fee	\$1,100,000
Tax Credit Equity	\$10,872,720

Permanent Financing

Source	Amount
HHF / HUD 221(d)(4)	\$82,549,000
Deferred Developer Fee	\$1,100,000
Tax Credit Equity	\$10,872,720
TOTAL	\$94,521,720

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$77,819,193
130% High Cost Adjustment:	Yes
Applicable Fraction:	12.10%
Qualified Basis:	\$9,413,612
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$847,225
Total State Credit:	\$2,824,082
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Hunt Capital Partners, LLC
Federal Tax Credit Factor:	\$1.00000
State Tax Credit Factor:	\$0.85000

The “as if vacant” land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

Initial:	No Letter of Support
First:	Seniors
Final:	8.835%

Significant Information / Additional Conditions:

This project is a 10 story building consisting of senior and non-senior units. There are 100 units reserved for senior households that will be located on floors 2 and 3. The applicant provided a legal opinion stating the project will meet all federal and state fair housing laws as they relate to combining family units and senior-restricted units on the same site.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, 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 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ¼ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
Service Amenities	10	0	0
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
SPECIAL NEEDS HOUSING TYPE			
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	99	99

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.