

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report Tax-Exempt Bond Project August 11, 2021

My Angel, located at 8545 Sepulveda Boulevard in North Hills, requested and is being recommended for a reservation of \$1,527,720 in annual federal tax credits to finance the new construction of 53 units of housing serving special needs tenants with rents affordable to households earning 20-30% of area median income (AMI). The project will be developed by LA Family Housing and will be located in Senate District 18 and Assembly District 46.

The project financing includes state funding from the NPLH program of HCD.

Project Number CA-21-548

Project Name My Angel
Site Address: 8545 Sepulveda Boulevard
North Hills, CA 91343 County: Los Angeles
Census Tract: 1174.08

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,527,720	\$0
Recommended:	\$1,527,720	\$0

Applicant Information

Applicant: The Angel 2018, L.P.
Contact: Elda Mendez-Lemus
Address: 7843 Lankershim Blvd
North Hollywood, CA 91605
Phone: 818-430-5720
Email: Emendez@lafh.org

General Partner(s) or Principal Owner(s):	LA Family Housing
General Partner Type:	Nonprofit
Parent Company(ies):	LA Family Housing
Developer:	LA Family Housing
Bond Issuer:	HCIDLA
Investor/Consultant:	California Housing Partnership Corp.
Management Agent:	John Stewart Company

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	54
No. / % of Low Income Units:	53 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt

Information

Housing Type: Special Needs
 Geographic Area: City of Los Angeles
 TCAC Project Analyst: Nick White

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
20% AMI:	3	6%
30% AMI:	50	94%

Unit Mix

53 SRO/Studio Units
1 2-Bedroom Units
54 Total Units

Unit Type & Number	2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
29 SRO/Studio	30%	\$621
21 SRO/Studio	30%	\$621
3 SRO/Studio	20%	\$405
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,575,906
Construction Costs	\$19,643,468
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,070,537
Soft Cost Contingency	\$219,368
Relocation	\$0
Architectural/Engineering	\$869,448
Const. Interest, Perm. Financing	\$2,007,071
Legal Fees	\$758,997
Reserves	\$589,106
Other Costs	\$1,788,470
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$33,022,371

Residential

Construction Cost Per Square Foot:	\$652
Per Unit Cost:	\$611,525
True Cash Per Unit Cost*:	\$605,970

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo Construction Loan	\$16,692,427	CCRC Permanent Loan	\$2,926,000
HCIDLA-HHH	\$5,565,000	HCIDLA-HHH	\$5,565,000
LACDA-NPLH	\$5,670,000	HCD-HHC	\$5,061,918
Costs Deferred Until Conversion	\$1,780,691	LACDA-NPLH	\$5,720,000
Deferred Developer Fee	\$300,000	Deferred Developer Fee	\$300,000
General Partner Equity	\$100	General Partner Equity	\$100
Tax Credit Equity	\$3,014,153	Tax Credit Equity	\$13,449,353
		TOTAL	\$33,022,371

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$29,379,240
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$38,193,012
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,527,720
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership Corp.
Federal Tax Credit Factor:	\$0.88035

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.

Significant Information / Additional Conditions:

This project cost per unit is currently estimated at \$611,525. The applicant noted the cost are attributed to prevailing wage cost, construction cost and zone change cost.

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.

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.

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.