CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
August 11, 2021

Rousseau Residences PSH, located at 316 North Juanita Avenue in Los Angeles, requested and is being recommended for a reservation of $1,172,722 in annual federal tax credits to finance the new construction of 51 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 Pacific West Communities, Inc. and will be located in Senate District 24 and Assembly District 53.

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-21-550		
Project Name	Rousseau Residences PSH		
Site Address:	316 North Juanita Avenue		
	Los Angeles, CA 90004	County:	Los Angeles
Census Tract:	1927.00		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,172,722	$0
Recommended:	$1,172,722	$0

Applicant Information

Applicant:	Rousseau Residences Associates, a California Limited Partnership
Contact:	Caleb Roope
Address:	430 East State Street, Suite 100 Eagle, ID 83616
Phone:	208.461.0022
Email:	calebr@tpchousing.com

General Partner(s) or Principal Owner(s):	TPC Holdings IX, LLC Flexible PSH Solutions, Inc.
General Partner Type:	Joint Venture
Parent Company(ies):	The Pacific Companies Flexible PSH Solutions, Inc.
Developer:	Pacific West Communities, Inc.
Bond Issuer:	Los Angeles Housing + Community Investment Department
Investor/Consultant:	Boston Financial Investment Management
Management Agent:	The John Stewart Company

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	52
No. / % of Low Income Units:	51 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt/HUD Section 8 Project-based Vouchers (50 Units - 98%)

Information

Housing Type:	Special Needs
Geographic Area:	City of Los Angeles
TCAC Project Analyst:	Sarah Gullikson

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
20% AMI:	38	75%
30% AMI:	13	25%

Unit Mix

51 SRO/Studio Units
1 2-Bedroom Units
52 Total Units

Unit Type & Number		2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
38	SRO/Studio	20%	$414
12	SRO/Studio	30%	$621
1	SRO/Studio	30%	$621
1	2 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$4,298,000
Construction Costs	$13,950,022
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$1,940,000
Soft Cost Contingency	$400,000
Relocation	$0
Architectural/Engineering	$975,000
Const. Interest, Perm. Financing	$1,255,720
Legal Fees	$70,000
Reserves	$945,315
Other Costs	$868,344
Developer Fee	$2,941,611
Commercial Costs	$0
Total	**$27,644,012**

Residential	
Construction Cost Per Square Foot:	$451
Per Unit Cost:	$531,616
True Cash Per Unit Cost*:	$499,085

Construction Financing

Source	Amount
California Bank & Trust-Tax-Exempt	$14,000,000
HCD - NPLH	$9,180,000
Deferred Costs	$945,315
Deferred Developer Fee	$2,441,611
Tax Credit Equity	$1,077,086

Permanent Financing

Source	Amount
HCD - NPLH	$11,220,000
HHH	$4,648,000
Deferred Developer Fee	$1,691,611
Tax Credit Equity	$10,084,401
TOTAL	**$27,644,012**

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

Determination of Credit Amount(s)	
Requested Eligible Basis:	$22,552,353
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$29,318,059
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$1,172,722
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,941,611
Investor/Consultant:	Boston Financial Investment Management
Federal Tax Credit Factor:	$0.85991

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
Development costs are roughly $531,616 per unit. The factors affecting this cost includes high costs for an infill site, and hard construction costs.

Prior to the commencement of construction, the applicant/sponsor will merge three existing parcels and then simultaneously split them into five parcels. A final tract map will be recorded which will create five airspace parcels, each with a legal description and assessor parcel number.

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.