CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 8, 2021

The Gardens, located at 333 Monterey Road in Glendale, requested and is being recommended for a reservation of $1,212,138 in annual federal tax credits to finance the acquisition and rehabilitation of 74 units of housing serving tenants with rents affordable to households earning 50% of area median income (AMI). The project will be developed by Beacon Development Group and is located in Senate District 25 and Assembly District 43.

The project is receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number CA-21-671

Project Name The Gardens
Site Address: 333 Monterey Road
Glendale, CA 91206 County: Los Angeles
Census Tract: 3019.01

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,212,138	$0
Recommended:	$1,212,138	$0

Applicant Information
Applicant: 333 Monterey Road LP
Contact: Orest Dolyniuk
Address: 6120 Stoneridge Mall Road, Suite 100
Pleasanton, CA 94588
Phone: 818-638-4565
Email: orestd@beacondevgroup.com

General Partner(s) or Principal Owner(s): 333 Monterey LLC
General Partner Type: Nonprofit
Parent Company(ies): HumanGood Affordable Housng
Developer: Beacon Development Group
Bond Issuer: California Municipal Finance Authority
Investor/Consultant: California Housing Partnership Corporation
Management Agent: HumanGood Affordable Housing

Project Information
Construction Type: Acquisition & Rehabilitation
Total # Residential Buildings: 1
Total # of Units: 75
No. / % of Low Income Units: 74 100.00%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Contract
(74 units - 100%)

Information

Housing Type:	Non-Targeted
Geographic Area:	Balance of Los Angeles County
TCAC Project Analyst:	Jonghyun(Tommy), Shim

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	74	100%

Unit Mix

18	SRO/Studio Units
57	1-Bedroom Units
75	Total Units

Unit Type & Number		2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
18	SRO/Studio	50%	$1,035
56	1 Bedroom	50%	$1,108
1	1 Bedroom	Manager's Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$19,521,450
Construction Costs	$0
Rehabilitation Costs	$6,201,951
Construction Hard Cost Contingency	$930,293
Soft Cost Contingency	$115,000
Relocation	$800,000
Architectural/Engineering	$385,098
Const. Interest, Perm. Financing	$1,238,443
Legal Fees	$100,000
Reserves	$836,395
Other Costs	$767,903
Developer Fee	$2,500,000
Commercial Costs	$0
Total	**$33,396,533**

Residential	
Construction Cost Per Square Foot:	$113
Per Unit Cost:	$445,287
True Cash Per Unit Cost*:	$265,626

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citi Community Capital	$16,496,000	Citi Community Capital	$2,856,000
Seller Carryback	$13,474,550	Seller Carryback	$13,474,550
Accrued Interest - Seller Carryback	$353,983	Accrued Interest - Seller Carryback	$353,983
Deferred Cost	$2,122,145	Sponsor Loan	$5,336,762
GP Equity	$100	GP Capital Contribution - Reserves	$662,591
Tax Credit Equity	$949,755	GP Equity	$100
		Tax Credit Equity	$10,712,547
		TOTAL	**$33,396,533**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$9,235,707
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$18,297,022
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$12,006,419
Qualified Basis (Acquisition):	$18,297,022
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$480,257
Maximum Annual Federal Credit, Acquisition:	$731,881
Total Maximum Annual Federal Credit:	$1,212,138
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,500,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	$0.88377

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: 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.

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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.