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

Vermont Manchester Family, located at 8500 S. Vermont Avenue in Los Angeles, requested and is being recommended for a reservation of $4,631,509 in annual federal tax credits to finance the new construction of 116 units of housing serving special needs tenants with rents affordable to households earning 30-80% of area median income (AMI). The project will be developed by BRIDGE Housing Corporation and will be located in Senate District 30 and Assembly District 59.

The project will be receiving rental assistance in the form of HACLA Project-based Vouchers. The project financing includes state funding from the IIG, TOD, AHSC program(s) of HCD.

Project Number CA-21-733

Project Name Vermont Manchester Family
Site Address: 8500 S. Vermont Avenue.
Los Angeles, CA 90044 County: Los Angeles
Census Tract: 60372383.20

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$4,631,509	$0
Recommended:	$4,631,509	$0

Applicant Information
Applicant: VM Family LP
Contact: Alexis Laing
Address: 600 California St., Suite 900
San Francisco CA, 94108
Phone: 424-419-5103
Email: alaing@bridgehousing.com

General Partner(s) or Principal Owner(s): VM Family LLC
General Partner Type: Nonprofit
Parent Company(ies): BRIDGE Housing Corporation
Developer: BRIDGE Housing Corporation
Bond Issuer: LACDA
Investor/Consultant: California Housing Partnership
Management Agent: John Stewart Company

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	118
No. / % of Low Income Units:	116 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt/ HACLA Project Base Vouchers (30 units - 25%)

Information

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

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	58	50%
40% AMI:	3	3%
50% AMI:	33	28%
60% AMI:	11	9%
80% AMI:	11	9%

Unit Mix

35	1-Bedroom Units
59	2-Bedroom Units
24	3-Bedroom Units
118	Total Units

Unit Type & Number		2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
22	1 Bedroom	30%	$665
36	2 Bedrooms	30%	$798
3	3 Bedrooms	40%	$1,228
7	1 Bedroom	50%	$1,108
12	2 Bedrooms	50%	$1,330
14	3 Bedrooms	50%	$1,536
4	1 Bedroom	60%	$1,329
5	2 Bedrooms	60%	$1,596
2	3 Bedrooms	60%	$1,844
2	1 Bedroom	80%	$1,329
6	2 Bedrooms	80%	$1,596
3	3 Bedrooms	80%	$1,844
2	3 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application

Land and Acquisition	$4,057,997
Construction Costs	$61,123,861
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$3,034,816
Soft Cost Contingency	$383,875
Relocation	$0
Architectural/Engineering	$2,222,059
Const. Interest, Perm. Financing	$7,035,751
Legal Fees	$837,922
Reserves	$575,945
Other Costs	$2,171,563
Developer Fee	$11,617,498
Commercial Costs	$0
Total	**$93,061,287**

Residential

Construction Cost Per Square Foot:	$502
Per Unit Cost:	$788,655
True Cash Per Unit Cost*:	$708,846

Construction Financing

Source	Amount
US Bank	$46,338,493
US Bank Taxable	$24,048,548
HCD IIG	$7,500,000
Cost Deferred Until Conversion	$9,643,443
Deferred Developer Fee	$1,300,000
Tax Credit Equity	$4,230,803

Permanent Financing

Source	Amount
CCRC	$14,402,500
HCD TOD	$5,000,000
HCD IIG	$7,500,000
HCD AHSC	$12,500,000
Deferred Developer Fee	$9,417,498
Tax Credit Equity	$44,241,289
TOTAL	**$93,061,287**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$89,067,486
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$115,787,732
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$4,631,509
Approved Developer Fee (in Project Cost & Eligible Basis):	$11,617,498
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	$0.95522

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:
The estimated cost of the project is $708,846 per unit. This relatively high cost is due in part to project requirements, project limitations, project design market conditions and financing costs.

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.