

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report  
Tax-Exempt Bond Project  
December 8, 2021**

Oak Apartments, located at 2745-2759 Francis Avenue in Los Angeles, requested and is being recommended for a reservation of \$1,490,063 in annual federal tax credits and to finance the new construction of 63 units of housing serving special needs tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Affordable Housing CDC, 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.

**Project Number** CA-21-738

**Project Name** Oak Apartments  
**Site Address:** 2745-2759 Francis Avenue  
Los Angeles, CA 90005 County: Los Angeles  
**Census Tract:** 2122.02

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,490,063	\$0
Recommended:	\$1,490,063	\$0

**Applicant Information**

**Applicant:** Oak Apartments, L.P., a California limited partnership  
**Contact:** Joseph Stalzer  
**Address:** 27762 Antonio Parkway, L1-624  
Ladera Ranch, CA 92694  
**Phone:** 949-429-1250  
**Email:** jstalzer@ahcdc.com

**General Partner(s) or Principal Owner(s):** AHCDC Oak LLC  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** Affordable Housing CDC, Inc.  
**Developer:** Affordable Housing CDC, Inc.  
**Bond Issuer:** Los Angeles Housing Department  
**Investor/Consultant:** Alliant Capital  
**Management Agent:** Domus Management Co

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 1  
**Total # of Units:** 64  
**No. / % of Low Income Units:** 63 100.00%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** Tax-Exempt / HUD Project Based Vouchers (63 Units - 100%)

**Information**

Housing Type: Special Needs  
Geographic Area: City of Los Angeles  
TCAC Project Analyst: Franklin Cui

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 63	100%

**Unit Mix**

17 SRO/Studio Units
46 1-Bedroom Units
<u>1 2-Bedroom Units</u>
64 Total Units

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
17 SRO/Studio	30%	\$621
46 1 Bedroom	30%	\$665
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$7,747,085
Construction Costs	\$19,727,154
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$998,884
Soft Cost Contingency	\$77,939
Relocation	\$0
Architectural/Engineering	\$946,000
Const. Interest, Perm. Financing	\$1,743,684
Legal Fees	\$298,221
Reserves	\$854,520
Other Costs	\$1,985,407
Developer Fee	\$3,408,311
Commercial Costs	\$0
<b>Total</b>	<b>\$37,787,205</b>

**Residential**

Construction Cost Per Square Foot:	\$364
Per Unit Cost:	\$590,425
True Cash Per Unit Cost*:	\$584,233

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citibank	\$19,573,989	Citibank	\$9,481,049
HCIDLA HHH	\$6,241,230	HCIDLA HHH	\$6,610,000
LACDA NPLH	\$7,080,000	LACDA NPLH	\$7,130,000
Deferred Costs	\$782,519	Deferred Developer Fee	\$396,283
Deferred Developer Fee	\$2,783,311	GP Equity	\$908,312
Tax Credit Equity	\$1,326,156	Tax Credit Equity	\$13,261,561
		<b>TOTAL</b>	<b>\$37,787,205</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$28,655,058
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$37,251,575
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,490,063
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,408,311
Investor/Consultant:	Alliant Capital
Federal Tax Credit Factor:	\$0.89000

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.

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.