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

The Banning, located at 841 N. Banning Boulevard in Los Angeles, requested and is being recommended for a reservation of $1,846,954 in annual federal tax credits to finance the new construction of 63 units of housing serving special needs tenant with rents affordable to households earning 30-50% of area median income (AMI). The project will be developed by Century Affordable Development, Inc. and will be located in Senate District 35 and Assembly District 64.

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-21-752

Project Name The Banning

Site Address:	841 N. Banning Boulevard	
	Los Angeles, CA 90744	County: Los Angeles
Census Tract:	2947.01	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,846,954	$0
Recommended:	$1,846,954	$0

Applicant Information

Applicant:	The Banning, LP
Contact:	Oscar Alvarado
Address:	1000 Corporate Pointe Culver City, CA 90230
Phone:	310-642-2079
Email:	oalvarado@century.org

General Partner(s) or Principal Owner(s):	CADI XIII LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Century Affordable Development, Inc.
Developer:	Century Affordable Development, Inc.
Bond Issuer:	HCIDLA
Investor/Consultant:	California Housing Partnership Corporation
Management Agent:	Century Villages Property Management

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	2
Total # of Units:	64
No. / % of Low Income Units:	63 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (63 units 100%)

Information

Housing Type:	Special Needs
Geographic Area:	City of Los Angeles
TCAC Project Analyst:	Janice Corbin

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	48	76%
40% AMI:	5	8%
50% AMI:	10	16%

Unit Mix

57	1-Bedroom Units
7	2-Bedroom Units
64	Total Units

Unit Type & Number		2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
44	1 Bedroom	30%	$665
4	1 Bedroom	40%	$887
9	1 Bedroom	50%	$895
4	2 Bedrooms	30%	$798
1	2 Bedrooms	40%	$1,006
1	2 Bedrooms	50%	$1,006
1	2 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$3,966,967
Construction Costs	$23,268,585
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$2,351,036
Soft Cost Contingency	$397,009
Relocation	$0
Architectural/Engineering	$979,000
Const. Interest, Perm. Financing	$2,224,609
Legal Fees	$292,500
Reserves	$977,696
Other Costs	$2,069,697
Developer Fee	$4,632,830
Commercial Costs	$0
Total	**$41,159,929**

Residential	
Construction Cost Per Square Foot:	$351
Per Unit Cost:	$643,124
True Cash Per Unit Cost*:	$609,798

Construction Financing

Source	Amount
MUFG Union Bank	$21,213,423
HCIDLA (HHH)	$4,509,086
Accrued Deferred Interest	$83,744
LACDA (NPLH)	$7,080,000
AHP	$945,000
Costs Deferred Until Conversion	$3,393,396
General Partner Equity	$100
Deferred Developer Fee	$2,132,830
Tax Credit Equity	1,802,351

Permanent Financing

Source	Amount
MUFG Union Bank	$6,602,000
HCIDLA (HHH)	$8,000,000
Accrued Deferred Interest	$83,744
LACDA (NPLH)	$7,130,000
AHP	$945,000
General Partner Equity	$100
Deferred Developer Fee	$2,132,830
Tax Credit Equity	$16,266,255
TOTAL	**$41,159,929**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$35,518,363
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$46,173,872
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$1,846,954
Approved Developer Fee (in Project Cost & Eligible Basis):	$4,632,830
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	$0.88071

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 approximately $609,798 per unit. The factors affecting this cost include increased construction costs, project redesign due to three underground oil wells which resulting in significant budget inefficiencies, methane mitigation, and solar

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.