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

Miramar Development, located at 1917-2005 1/2 West 3rd Street in Los Angeles, requested and is being recommended for a reservation of $3,199,328 in annual federal tax credits to finance the new construction of 136 units of housing with rents affordable to households earning 30-70% of area median income (AMI). The project requested $18,166,666 in state tax credits, but due to the limited availability, is not being recommended any state tax credits. The project will be developed by Rose Community Development Company, LLC and will be located in Senate District 24 and Assembly District 51.

Project Number	CA-21-741		
Project Name	Miramar Development		
Site Address:	1917-2005 1/2 West 3rd Street		
	Los Angeles, CA 90057	County:	Los Angeles
Census Tract:	2084.01		

Tax Credit Amounts	**Federal/Annual**	**State/Total** *
Requested:	$3,199,328	$18,166,666
Recommended:	$3,199,328	$0

* The applicant made an election to sell (certificate) all or any portion of the state credits.

Applicant Information

Applicant:	Miramar Development, LP
Contact:	Michael Arman
Address:	551 Fifth Avenue, 23rd Floor New York, NY 10176
Phone:	917-542-3600
Email:	marman@rosecompanies.com

General Partner(s) or Principal Owner(s):	Rose Miramar Development GP, LLC Wakeland Miramar, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Rose Companies Holdings, LLC Wakeland Housing and Development Corporation
Developer:	Rose Community Development Company, LLC
Bond Issuer:	CSCDA
Investor/Consultant:	Wells Fargo Community Lending & Investment
Management Agent:	Rose Community Management

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	137
No. / % of Low Income Units:	136 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt

Information

Housing Type:	Non-Targeted
Geographic Area:	City of Los Angeles
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	20	15%
50% AMI:	28	21%
70% AMI:	88	65%

Unit Mix

77	SRO/Studio Units
59	1-Bedroom Units
1	2-Bedroom Units
137	Total Units

Unit Type & Number		2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
49	SRO/Studio	70%	$1,449
16	SRO/Studio	50%	$1,035
12	SRO/Studio	30%	$621
39	1 Bedroom	70%	$1,552
12	1 Bedroom	50%	$1,108
8	1 Bedroom	30%	$665
1	2 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application

Land and Acquisition	$0
Construction Costs	$44,770,925
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$2,238,546
Soft Cost Contingency	$503,508
Relocation	$0
Architectural/Engineering	$2,704,421
Const. Interest, Perm. Financing	$3,671,311
Legal Fees	$858,345
Reserves	$452,883
Other Costs	$2,836,075
Developer Fee	$5,882,174
Commercial Costs	$0
Total	**$63,918,188**

Residential

Construction Cost Per Square Foot:	$456
Per Unit Cost:	$466,556
True Cash Per Unit Cost *:	$447,270

Construction Financing

Source	Amount
Wells Fargo Tax-Exempt Loan	$33,739,141
Wells Fargo Recycled Bonds **	$5,113,458
Deferred Costs	$1,458,000
Deferred Developer Fee	$2,642,174
State Tax Credit Equity	$6,757,998
Tax Credit Equity	$14,207,417

Permanent Financing

Source	Amount
Tax-Exempt Loan	$16,189,099
Deferred Developer Fee	$2,642,174
State Credit Backfill (TBD)	14533333
Tax Credit Equity	$30,553,582
TOTAL	**$63,918,188**

* Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee
** Bank loan using recycled tax-exempt bonds

Determination of Credit Amount(s)

Requested Eligible Basis:	$61,525,543
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$79,983,206
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$3,199,328
Total State Credit:	$0
Approved Developer Fee (in Project Cost & Eligible Basis):	$5,882,174
Investor/Consultant:	Wells Fargo Community Lending & Investment
Federal Tax Credit Factor:	$0.95500
State Tax Credit Factor:	$0.80000

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.