

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2022 First Round

June 15, 2022

Miramar Gold, located at 1434 W. Miramar Street in Los Angeles, requested and is being recommended for a reservation of \$1,981,106 in annual federal tax credits to finance the new construction of 93 units of affordable housing serving large families and special needs tenants with rents affordable to households earning 20%-60% of area median income (AMI). The project will be developed by West Hollywood Community Housing Corporation and will be located in Senate District 51 and Assembly District 24.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from California Department of Housing and Community Development's Infill

Project Number CA-22-035

Project Name Miramar Gold
Site Address: 1434 W. Miramar Street
Los Angeles, CA 90026 County: Los Angeles
Census Tract: 2083.020

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,981,106	\$0
Recommended:	\$1,981,106	\$0

Applicant Information

Applicant: Miramar Gold, L.P.
Contact: Matt Mason
Address: 7530 Santa Monica Boulevard
West Hollywood, CA 90046
Phone: 323-650-8771
Email: matt@whchc.org

General Partner(s) / Principal Owner(s): Miramar Gold, LLC
General Partner Type: Nonprofit
Parent Company(ies): West Hollywood Community Housing Corporation
Developer: West Hollywood Community Housing Corporation
Investor/Consultant: Bank of America
Management Agent(s): Barker Management, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 94
No. & % of Tax Credit Units: 93 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME / HUD Section 8 Project-Based Vouchers (47 units-50%)

Information

Set-Aside: Special Needs
Housing Type: Special Needs and Large Family
Type of Special Needs: Homeless/ Formerly Homeless
Average Targeted Affordability of Special Needs/SRO Project Units: 35.91%
% of Special Need Units: 47 units 50.00%
Geographic Area: City of Los Angeles
CTCAC Project Analyst: Nick White

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 20% AMI:	47	50%
At or Below 50% AMI:	36	38%
At or Below 60% AMI:	10	10%

Unit Mix

47 1-Bedroom Units
18 2-Bedroom Units
29 3-BedroomUnits

94 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
32 1 Bedroom	20%	\$443
15 1 Bedroom	50%	\$1,108
10 2 Bedrooms	20%	\$532
7 2 Bedrooms	50%	\$1,330
5 3 Bedrooms	20%	\$614
14 3 Bedrooms	50%	\$1,536
10 3 Bedrooms	60%	\$1,827
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$6,440,000
Construction Costs	\$28,264,996
Rehabilitation Costs	\$0
Construction Contingency	\$1,549,750
Relocation	\$0
Architectural/Engineering	\$1,580,000
Const. Interest, Perm. Financing	\$3,014,512
Legal Fees	\$215,000
Reserves	\$1,303,078
Other Costs	\$1,661,812
Developer Fee	\$2,000,000
Commercial Costs	\$0
Total	\$46,029,148

Residential

Construction Cost Per Square Foot:	\$327
Per Unit Cost:	\$489,672
True Cash Per Unit Cost*:	\$488,357

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Bank of America	\$26,900,000	Bank of America	\$13,020,000
HOME	\$11,035,075	HOME	\$11,035,075
LACDA	\$2,000,000	LACDA	\$2,000,000
IIG	\$1,426,155	IIG	\$1,426,155
Deferred Developer Fee	\$1,300,000	Deferred Developer Fee	\$123,636
Deferred Costs	\$1,525,490	Tax Credit Equity	\$18,424,282
Tax Credit Equity	\$1,842,428	TOTAL	\$46,029,148

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$16,932,526
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$22,012,284
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,981,106
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,000,000
Investor/Consultant:	Bank of America
Federal Tax Credit Factor:	\$0.93000

The “as if vacant” land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

Initial:	Letter of Support
Final:	87.658%

Significant Information / Additional Conditions:

The applicant's estimate for annual operating expenses per unit is below the \$6,720 published per unit operating expense minimum required for this type of project. Under regulation section 10327(g) operating expenses below the published minimum may be corrected. At the submission of the next updated CTCAC application required at the 180/194 day readiness deadline, and all subsequent submissions to CTCAC, the applicant must meet the requirement of regulation section 10327(g)(1).

Resyndication and Resyndication Transfer Event : None

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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.

CTCAC 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 CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC 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 CTCAC 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, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, 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 CTCAC 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 CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Negative Points		0	0
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/4 Mile of a public elementary school	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Health & wellness services and programs, minimum 100 hrs per 100 bdrms	5	5	5
SPECIAL NEEDS HOUSING TYPE			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Health/behavioral services provided by licensed org. or individual	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.