

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
June 15, 2022

Miramar Development, located at 1917-2005 1/2 W 3rd Street in Los Angeles, requested and is being recommended for a reservation of \$3,505,639 in annual federal tax credits and \$20,193,120 in total state tax credits to finance the new construction of 136 units of housing serving tenants with rents affordable to households earning 30%-80% of area median income (AMI). 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-22-447

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

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$3,505,639	\$20,193,120
Recommended:	\$3,505,639	\$20,193,120

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

Applicant Information

Applicant: Wakeland Housing Development Corporation
Contact: Rebecca Louie
Address: 1230 Columbia Street, Suite 950
San Diego, CA 92101
Phone: 619-677-2325
Email: rlouie@wakelandhdc.com

General Partner(s) or Principal Owner(s): Rose Miramar Development GP, LLC
Wakeland Miramar, LLC

General Partner Type: Joint Venture

Parent Company(ies): Jonathan Rose Companies, Inc
Wakeland Housing and Development Corporation

Developer: Rose Community Development Company, LLC

Bond Issuer: California Statewide Communities Development Authority

Investor/Consultant: Bank Of America

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: Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 20	15%
50% AMI: 20	15%
60% AMI: 36	26%
70% AMI: 40	29%
80% AMI: 20	15%

Unit Mix

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

 137 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 SRO/Studio	80%	\$1,449
20 SRO/Studio	70%	\$1,449
29 SRO/Studio	60%	\$1,242
11 SRO/Studio	50%	\$1,035
12 SRO/Studio	30%	\$621
15 1 Bedroom	80%	\$1,552
20 1 Bedroom	70%	\$1,552
7 1 Bedroom	60%	\$1,330
9 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	\$47,000,954
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,345,133
Soft Cost Contingency	\$474,999
Relocation	\$0
Architectural/Engineering	\$2,832,277
Const. Interest, Perm. Financing	\$4,937,167
Legal Fees	\$505,000
Reserves	\$443,036
Other Costs	\$2,064,138
Developer Fee	\$8,788,714
Commercial Costs	\$0
Total	\$69,391,418

Residential

Construction Cost Per Square Foot:	\$478
Per Unit Cost:	\$506,507
True Cash Per Unit Cost*:	\$488,245

Construction Financing

Source	Amount
Bank of America - Tax-Exempt	\$37,059,076
Bank of America - Taxable	\$11,000,000
Bank of America - Recycled Bonds	\$5,586,009
Deferred Costs	\$443,036
Deferred Developer Fee	\$3,311,895
General Partner Equity	\$3,046,819
State Tax Credit Equity	\$1,718,194
Tax Credit Equity	\$7,226,389

Permanent Financing

Source	Amount
JLL Real Estate Capital	\$13,374,981
Deferred Fee	\$2,501,895
General Partner Equity	\$3,046,819
Tax Credit Equity	\$50,467,723
TOTAL	\$69,391,418

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$67,416,138
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$87,640,979
Applicable Rate:	4.00%
Maximum Annual Federal Credit:	\$3,505,639
Total State Credit:	\$20,193,120
Approved Developer Fee (in Project Cost & Eligible Basis):	\$8,788,714
Investor/Consultant:	Bank Of America
Federal Tax Credit Factor:	\$0.95000
State Tax Credit Factor:	\$0.85000

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.