

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

West Carson, located at 800 West Carson Street in Torrance, requested and is being recommended for a reservation of \$4,577,220 in annual federal tax credits and \$20,513,043 in total state tax credits to finance the new construction of 228 units of housing serving large families with rents affordable to households earning 30%-70% of area median income (AMI). The project will be developed by Meta Development, LLC and will be located in Senate District 35 and Assembly District 66.

Project Number CA-22-466

Project Name West Carson
Site Address: 800 West Carson Street
Torrance, CA 90502 County: Los Angeles
Census Tract: 5435.03

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$4,577,220	\$20,513,043
Recommended:	\$4,577,220	\$20,513,043

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

Applicant Information

Applicant: FFAH V 800 Carson, LLC
Contact: Chris Maffris
Address: 11150 West Olympic Boulevard, Suite 620
Los Angeles, CA 90064
Phone: (310) 575-3543
Email: cmaffris@metahousing.com

General Partner(s) or Principal Owner(s): 800 W Carson, LLC
FFAH V 800 Carson, LLC

General Partner Type: Joint Venture
Parent Company(ies): Meta Development, LLC
Foundation for Affordable Housing V, Inc.

Developer: Meta Development, LLC
Bond Issuer: California Housing Finance Agency
Investor/Consultant: Boston Financial Investment Management
Management Agent: WSH Management

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 2
 Total # of Units: 230
 No. / % of Low Income Units: 228 100.00%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Large Family
 Geographic Area: Balance of Los Angeles County
 CTCAC Project Analyst: Sarah Gullikson

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	23	10%
50% AMI:	46	20%
60% AMI:	44	19%
70% AMI:	115	50%

Unit Mix

110 1-Bedroom Units
60 2-Bedroom Units
60 3-Bedroom Units
230 Total Units

Unit Type & Number	2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
11 1 Bedroom	30%	\$665
22 1 Bedroom	50%	\$1,108
22 1 Bedroom	60%	\$1,330
55 1 Bedroom	70%	\$1,551
6 2 Bedrooms	30%	\$798
12 2 Bedrooms	50%	\$1,330
10 2 Bedrooms	60%	\$1,596
30 2 Bedrooms	70%	\$1,862
6 3 Bedrooms	30%	\$922
12 3 Bedrooms	50%	\$1,536
12 3 Bedrooms	60%	\$1,843
30 3 Bedrooms	70%	\$2,150
2 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$19,740,476
Construction Costs	\$63,250,000
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$3,162,500
Soft Cost Contingency	\$600,000
Relocation	\$0
Architectural/Engineering	\$2,474,600
Const. Interest, Perm. Financing	\$8,730,166
Legal Fees	\$299,839
Reserves	\$895,584
Other Costs	\$5,160,463
Developer Fee	\$8,100,000
Commercial Costs	\$0
Total	\$112,413,628

Residential

Construction Cost Per Square Foot:	\$221
Per Unit Cost:	\$488,755
True Cash Per Unit Cost*:	\$470,929

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Pacific Western: Tax-Exempt	\$54,750,000	Pacific Western: Tax-Exempt	\$47,288,000
Pacific Western: Taxable	\$25,800,000	Deferred Developer Fee	\$4,100,000
Pacific Western: Tax-Exempt Recycled	\$10,800,000	Tax Credit Equity	\$61,025,628
Deferred Operating Reserve	\$895,584	TOTAL	\$112,413,628
Deferred Developer Fee	\$7,217,519		
Tax Credit Equity	\$12,950,525		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$88,023,456
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$114,430,493
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$4,577,220
Total State Credit:	\$20,513,043
Approved Developer Fee (in Project Cost & Eligible Basis):	\$8,100,000
Investor/Consultant:	Boston Financial Investment Management
Federal Tax Credit Factor:	\$0.92991
State Tax Credit Factor:	\$0.90000

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

This Project's annual per unit operating expense total is below the CTCAC published per unit operating minimums of \$6,200. As allowed by CTCAC Regulation Section 10327(g)(1), CTCAC approves an annual per unit operating expense total of \$5,278 on agreement of the permanent lender and equity investor.

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.

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 reservation 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.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.