

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

Tax-Exempt Bond Project

June 15, 2022

West LA VA- Building 404, located at 11301 Wilshire Boulevard, Parking Lot 48 in Los Angeles, requested and is being recommended for a reservation of \$2,211,203 in federal tax credits to finance the new construction of 72 units of housing serving special needs tenants 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 26 and Assembly District 54.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers and Veterans Affairs Supportive Housing (VASH) Project-based Vouchers. The project financing includes state funding from the Veterans Housing and Homelessness Prevention Program (VHHP) of HCD and Veteran Services Grant Support (California State Assembly Bill 128).

Project Number CA-22-467

Project Name West LA VA- Building 404
Site Address: 11301 Wilshire Boulevard, Parking Lot 48
Los Angeles, CA 90073 County: Los Angeles
Census Tract: 7011.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,211,203	\$0
Recommended:	\$2,211,203	\$0

Applicant Information

Applicant: Century WLAVA 1 LP
Contact: Oscar Alvarado
Address: 1000 Corporate Pointe, Suite 200
Culver City, CA 90230
Phone: 310-642-2079
Email: oalvarado@century.org

General Partner(s) or Principal Owner(s): Century WLAVA 1 LLC
West LA Veterans Collective, LLC
General Partner Type: Joint Venture
Parent Company(ies): Century Affordable Development, Inc.
Century Housing Corporation
Thomas Safran & Associates Development, Inc.
United States Veterans Initiative
Developer: Century Affordable Development, Inc.
Bond Issuer: California Housing Finance Agency
Investor/Consultant: California Housing Partnership Corporation
Management Agent: Century Villages Property Management

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 73
 No. / % of Low Income Units: 72 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (8 units - 11%)
 & VASH Project-based Vouchers (64 units - 89%)

Information

Housing Type: Special Needs
 Geographic Area: Balance of Los Angeles County
 TCAC Project Analyst: Tiffani Negrete

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 36	50%
50% AMI: 36	50%

Unit Mix

67 SRO/Studio Units
 5 1-Bedroom Units
1 2-Bedroom Units
 73 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
30 SRO/Studio	30%	\$621
1 1 Bedroom	30%	\$665
4 SRO/Studio	30%	\$621
1 1 Bedroom	30%	\$665
30 SRO/Studio	50%	\$1,035
3 1 Bedroom	50%	\$1,108
3 SRO/Studio	50%	\$1,035
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$457,185
Construction Costs	\$28,672,417
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,816,366
Soft Cost Contingency	\$255,833
Relocation	\$0
Architectural/Engineering	\$2,343,972
Const. Interest, Perm. Financing	\$2,967,357
Legal Fees	\$240,000
Reserves	\$1,198,140
Other Costs	\$2,068,960
Developer Fee	\$5,546,495
Commercial Costs	\$0
Total	\$46,566,725

Residential

Construction Cost Per Square Foot:	\$752
Per Unit Cost:	\$637,900
True Cash Per Unit Cost*:	\$612,162

Construction Financing

Source	Amount
Wells Fargo - Tax-Exempt Bonds	\$23,286,160
Wells Fargo - Taxable	\$13,008,936
AHP**	\$1,080,000
County of LA - Fee Waiver	\$578,890
State of California (AB 128)	\$500,000
Deferred Costs	\$2,812,270
Deferred Developer Fee	\$1,300,000
Contributed Developer Fee	\$2,046,495
General Partner Equity	\$100
Tax Credit Equity	\$1,953,874

Permanent Financing

Source	Amount
CCRC - Tax-Exempt Bonds	\$5,420,000
HCD - VHHP	\$15,000,000
AHP**	\$1,080,000
County of LA - Fee Waiver	\$578,890
State of California (AB 128)	\$500,000
Deferred Developer Fee	\$1,300,000
Contributed Developer Fee	\$2,046,495
General Partner Equity	\$100
Tax Credit Equity	\$20,641,240
TOTAL	\$46,566,725

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

**FHLBank - Affordable Housing Program

Determination of Credit Amount(s)

Requested Eligible Basis:	\$42,523,129
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$55,280,068
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,211,203
Approved Developer Fee (in Project Cost & Eligible Basis):	\$5,546,495
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.93348

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

The project site is part of the U.S. Department of Veterans Affairs (VA) West Los Angeles Veterans Administration Campus. The project involves the new construction of 72 affordable housing units and one manager's unit owned by the applicant, with the land leased from the VA. The co-general partner, West LA Veteran Collective LLC, will simultaneously develop a new construction tax credit project, CA-22-465 on the same parcel as this project and the two projects will be developed as multiple simultaneous phases using the same credit type pursuant to CTCAC Regulation Section 10327(c)(2)(C). The developer fees for CA-22-465 and CA-22-467 comply with the requirements for simultaneous phases.

The current legal description is part of a larger site and the project site’s parcel (legal description and APN) have not yet been finalized. The legal description and APN for CA-22-467 must be completed as part of the placed-in-service package.

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.