

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

Luna Vista, located at 8767 Parthenia Place in Los Angeles, requested and is being recommended for a reservation of \$1,997,262 in annual federal tax credits to finance the new construction of 71 units of housing serving special needs tenants with rents affordable to households earning 20%-50% of area median income (AMI). The project will be developed by Hollywood Community Housing Corporation and will be located in Senate District 18 and Assembly District 46.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Multifamily Housing Program (MHP) of HCD.

Project Number CA-22-477

Project Name Luna Vista
Site Address: 8767 Parthenia Place
 Los Angeles, CA 91343 County: Los Angeles
Census Tract: 1175.20

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,997,262	\$0
Recommended:	\$1,997,262	\$0

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant: Hollywood Community Housing Corporation
Contact: Victoria Senna
Address: 5020 Santa Monica Blvd.
 Los Angeles, CA 90029
Phone: 323-454-6211
Email: vsenna@hollywoodhousing.org

General Partner(s) or Principal Owner(s): HCHC Luna Vista GP, LLC
General Partner Type: Nonprofit
Parent Company(ies): Hollywood Community Housing Corporation
Developer: Hollywood Community Housing Corporation
Bond Issuer: Los Angeles Housing Department
Investor/Consultant: California Housing Partnership Corporation
Management Agent: Barker Management Incorporated

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 73
No. / % of Low Income Units: 71 100.00%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax-Exempt / HUD Section 8 Vouchers (36 units - 51%)

Information

Housing Type: Special Needs
 Geographic Area: City of Los Angeles
 TCAC Project Analyst: Jonghyun(Tommy), Shim

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 36	51%
40% AMI: 21	30%
50% AMI: 14	20%

Unit Mix

54 1-Bedroom Units
19 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>
32 1 Bedroom	20%	\$443
4 2 Bedrooms	30%	\$798
16 1 Bedroom	40%	\$887
5 2 Bedrooms	40%	\$1,064
6 1 Bedroom	50%	\$1,108
8 2 Bedrooms	50%	\$1,330
2 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$5,302,965
Construction Costs	\$28,989,600
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,896,249
Soft Cost Contingency	\$150,000
Relocation	\$6,000
Architectural/Engineering	\$1,466,000
Const. Interest, Perm. Financing	\$3,689,710
Legal Fees	\$145,000
Reserves	\$617,652
Other Costs	\$1,628,283
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	<u>\$46,391,459</u>

Residential

Construction Cost Per Square Foot:	\$628
Per Unit Cost:	\$635,499
True Cash Per Unit Cost*:	\$631,388

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank - Tax Exempt	\$23,663,000	Citibank - Conventional Perm L	\$3,254,000
Citibank - Taxable	\$10,792,664	LAHD - AHMP	\$3,767,626
LAHD - AHMP	\$3,767,626	HCD - MHP	\$17,452,256
GP Loan - HCD IIG	\$3,407,000	GP Loan - IIG	\$3,407,000
Deferred Costs	\$1,867,622	GP - Capital Contribution	\$100
GP - Capital Contribution	\$100	Deferred Developer Fee	\$300,000
Deferred Developer Fee	\$300,000	Tax Credit Equity	\$18,210,477
LP - Capital Contribution	\$2,593,447	TOTAL	\$46,391,459

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$38,408,893
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$49,931,561
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,997,262
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.91177
State Tax Credit Factor:	\$0.00000

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

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.