CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

Lakeland Apartments, located at 13231 Lakeland Road in Santa Fe Springs, requested and is being recommended for a reservation of $2,959,547 in annual federal tax credits and $2,253,329 in total state tax credits to finance the new construction of 101 units of housing serving families with rents affordable to households earning 30%-70% of area median income (AMI). The project will be developed by The Richman Group of CA Development Company and will be located in Senate District 32 and Assembly District 57.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-22-575

Project Name Lakeland Apartments
Site Address: 13231 Lakeland Road
Santa Fe Springs, CA 90670 County: Los Angeles
Census Tract: 5029.02

Tax Credit Amounts	**Federal/Annual**	**State/Total** *
Requested:	$2,959,547	$2,253,329
Recommended:	$2,959,547	$2,253,329

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

Applicant Information
Applicant: Richman Santa Fe Springs Apartments, LP
Contact: Jason Rastegar
Address: 2727 Newport Boulevard #203
Newport Beach, CA 92663
Phone: 310-402-7706
Email: rastegarj@richmancapital.com

General Partner(s) or Principal Owner(s): Central Valley Coalition for Affordable Housing
Santa Fe Springs GP, LLC
General Partner Type: Nonprofit
Parent Company(ies): Central Valley Coalition for Affordable Housing
The Richman Group
Developer: The Richman Group of CA Development Company
Bond Issuer: Los Angeles County Development Authority
Management Agent: Richman Property Services

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	3
Total # of Units:	102
No. / % of Low Income Units:	101 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt/HUD Section 8 Project-based Vouchers (50 Units-49%)

Information

Housing Type:	Large Family
Geographic Area:	Balance of Los Angeles County
CTCAC Project Analyst:	Cynthia Compton

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	56	55%
60% AMI:	24	24%
70% AMI:	21	21%

Unit Mix

47	1-Bedroom Units
27	2-Bedroom Units
28	3-Bedroom Units
102	Total Units

Unit Type & Number		2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
37	1 Bedroom	30%	$578
5	1 Bedroom	60%	$1,340
5	1 Bedroom	70%	$1,563
13	2 Bedrooms	30%	$682
7	2 Bedrooms	60%	$1,608
6	2 Bedrooms	70%	$1,876
6	3 Bedrooms	30%	$929
12	3 Bedrooms	60%	$1,858
10	3 Bedrooms	70%	$2,168
1	2 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$125,100
Construction Costs	$40,040,590
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$1,997,029
Soft Cost Contingency	$250,000
Relocation	$0
Architectural/Engineering	$2,244,000
Const. Interest, Perm. Financing	$3,279,620
Legal Fees	$250,000
Reserves	$919,027
Other Costs	$3,358,000
Developer Fee	$7,400,000
Commercial Costs	$0
Total	**$59,863,366**

Residential	
Construction Cost Per Square Foot:	$460
Per Unit Cost:	$586,896
True Cash Per Unit Cost*:	$548,660

Construction Financing

Source	Amount
Bank of America-Tax-Exempt	$29,628,884
Bank of America-Taxable Tail	$6,500,000
City of Santa Fe Springs	$6,000,000
County of Los Angeles	$5,000,000
Deferred Developer Fee	$7,400,000
Deferred Reserve	$919,027
Tax Equity Credit	$4,415,455

Permanent Financing

Source	Amount
Bank of America-Tax-Exempt	$14,527,000
City of Santa Fe Springs	$6,000,000
County of Los Angeles	$5,000,000
Deferred Development Fee	$500,000
Developer Fee Contribution	$4,400,000
Tax Credit Equity	$29,436,366
TOTAL	$59,863,366

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

Determination of Credit Amount(s)	
Requested Eligible Basis:	$56,914,369
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$73,988,680
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$2,959,547
Total State Credit:	$2,253,329
Approved Developer Fee (in Project Cost & Eligible Basis):	$7,400,000
Federal Tax Credit Factor:	$0.92991
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.

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.