

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

Tax-Exempt Bond Project

November 30, 2022

Jordan Downs Area H2B, located at 2254 E. 97th St in Los Angeles, requested and is being recommended for a reservation of \$4,060,839 in annual federal tax credits to finance the new construction of 106 units of housing serving families with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by BRIDGE Housing Corporation and will be located in Senate District 35 and Assembly District 64.

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 No Place Like Home (NPLH) & Affordable Housing and Sustainable Communities (AHSC) programs of HCD and Clean California Local Grant Program (CCLGP) of DOT.

Project Number CA-22-606

Project Name Jordan Downs Area H2B
Site Address: 2254 E. 97th St
Los Angeles, CA 90002
County: Los Angeles
Census Tract: 2421.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$4,060,839	\$0
Recommended:	\$4,060,839	\$0

Applicant Information

Applicant: Jordan Downs 3B, LP
Contact: Van Scott
Address: 600 California Street, Suite 900
San Francisco, CA 94108
Phone: 310-422-2561
Email: vscott@bridgehousing.com

General Partner(s) or Principal Owner(s): JD Housing 3B, LLC
General Partner Type: Nonprofit
Parent Company(ies): BRIDGE Housing Corporation
Developer: BRIDGE Housing Corporation
Bond Issuer: Housing Authority of the City of Los Angeles
Investor/Consultant: California Housing Partnership
Management Agent: BRIDGE Housing Property Management

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 3
 Total # of Units: 119
 No. / % of Low Income Units: 106 89.83%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt / HUD Choice Neighborhood Initiative /
 HUD Section 8 Project-based vouchers (91 units - 86%)

Information

Housing Type: Large Family
 Geographic Area: City of Los Angeles
 CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	37	35%
40% AMI:	5	5%
50% AMI:	32	30%
60% AMI:	20	19%
80% AMI:	12	11%

Unit Mix

44 1-Bedroom Units
39 2-Bedroom Units
34 3-Bedroom Units
2 4-Bedroom Units
119 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
11 1 Bedroom	30%	\$670
10 2 Bedrooms	30%	\$804
4 3 Bedrooms	30%	\$929
3 1 Bedroom	30%	\$670
2 2 Bedrooms	30%	\$804
7 3 Bedrooms	30%	\$929
1 5 Bedrooms	40%	\$1,525
2 1 Bedroom	40%	\$893
2 3 Bedrooms	40%	\$1,238
11 1 Bedroom	50%	\$1,116
12 2 Bedrooms	50%	\$1,340
6 3 Bedrooms	50%	\$1,548
1 4 Bedrooms	50%	\$1,727
2 2 Bedrooms	50%	\$1,064
6 1 Bedroom	60%	\$1,339
4 2 Bedrooms	60%	\$1,608
10 3 Bedrooms	60%	\$1,858
5 1 Bedroom	80%	\$1,563
5 2 Bedrooms	80%	\$1,876
2 3 Bedrooms	80%	\$2,168
1 1 Bedroom	Manager's Unit	\$0
5 1 Bedroom	Market Rate Unit	\$1,636
4 2 Bedrooms	Market Rate Unit	\$1,960
3 3 Bedrooms	Market Rate Unit	\$2,262

Project Cost Summary at Application

Land and Acquisition	\$5,089,750
Construction Costs	\$60,995,630
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$4,282,871
Soft Cost Contingency	\$362,429
Relocation	\$220,000
Architectural/Engineering	\$2,150,000
Const. Interest, Perm. Financing	\$7,562,230
Legal Fees	\$400,000
Reserves	\$1,568,630
Other Costs	\$2,678,985
Developer Fee	\$11,339,188
Commercial Costs	\$0
Total	\$96,649,713

Residential

Construction Cost Per Square Foot:	\$492
Per Unit Cost:	\$812,182
True Cash Per Unit Cost*:	\$801,258

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
CHASE - Tax-Exempt Bonds	\$50,571,690	CHASE	\$18,890,000
CHASE - Taxable Tail	\$8,327,340	HACLA Ground Lease	\$5,000,000
HACLA Ground Lease	\$5,000,000	HACLA Gap Loan	\$4,500,000
HACLA Gap Loan	\$4,500,000	Choice Neighborhood Initiative	\$3,345,900
Choice Neighborhood Initiative	\$3,345,900	HCD-IIG	\$7,500,000
HCD-IIG	\$7,500,000	HCD-AHSC	\$9,000,000
DOT-Clean California	\$1,700,000	DOT-Clean California	\$1,700,000
Costs Deferred Until Conversion	\$2,976,792	Deferred Developer Fee	\$1,300,000
General Partner Contribution	\$7,839,188	General Partner Contribution	\$7,839,188
Deferred Developer Fee	\$1,300,000	Tax Credit Equity	\$37,574,625
Tax Credit Equity	\$3,588,803	TOTAL	\$96,649,713

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$86,933,778
130% High Cost Adjustment:	Yes
Applicable Fraction:	89.83%
Qualified Basis:	\$101,520,971
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$4,060,839
Approved Developer Fee (in Project Cost & Eligible Basis):	\$11,339,188
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.92529

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.