

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
May 10, 2023

Grandview Apartments, located at 714-760 S. Grand View Street in Los Angeles, requested and is being recommended for a reservation of \$3,259,866 in annual federal tax credits and \$9,957,281 in total state tax credits to finance the new construction of 99 units of housing serving special needs tenants with rents affordable to households earning 20%-80% of area median income (AMI). The project will be developed by Abode Communities and will be located in Senate District 24 and Assembly District 53.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from HCD's Multifamily Housing Program (MHP), Infill Infrastructure Grant (IIG) program, Transit-Oriented Development (TOD) program, and Affordable Housing and Sustainable Communities (AHSC) program.

Project Number CA-23-484

Project Name Grandview Apartments
 Site Address: 714-760 S. Grand View Street
 Los Angeles, CA 90057
 County: Los Angeles
 Census Tract: 60372094.01

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$3,259,866	\$9,957,281
Recommended:	\$3,259,866	\$9,957,281

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

Applicant Information

Applicant: Abode Communities
 Contact: Lara Regus
 Address: 1149 S. Hill Street, Suite 700
 Los Angeles, CA 90015
 Phone: 213-225-2812
 Email: lregus@abodecommunities.org

General Partner(s) or Principal Owner(s): Grandview Apartments GP LLC
 General Partner Type: Nonprofit
 Parent Company(ies): Abode Communities
 Developer: Abode Communities
 Bond Issuer: City of Los Angeles
 Investor/Consultant: California Housing Partnership Corporation
 Management Agent: Abode Communities

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 100
 No. / % of Low Income Units: 99 100.00%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (54 Units - 54%)

Information

Housing Type: Special Needs
 Geographic Area: City of Los Angeles
 CTCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
20% AMI:	54	55%
30% AMI:	11	11%
40% AMI:	11	11%
50% AMI:	15	15%
60% AMI:	3	3%
70% AMI:	1	1%
80% AMI:	4	4%

Unit Mix

53 1-Bedroom Units
 28 2-Bedroom Units
 19 3-Bedroom Units

 100 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
34 1 Bedroom	20%	\$334
20 2 Bedrooms	20%	\$402
5 1 Bedroom	30%	\$670
2 2 Bedrooms	30%	\$804
4 3 Bedrooms	30%	\$929
5 1 Bedroom	40%	\$893
2 2 Bedrooms	40%	\$1,072
4 3 Bedrooms	40%	\$1,239
4 1 Bedroom	50%	\$1,116
1 2 Bedrooms	50%	\$1,340
10 3 Bedrooms	50%	\$1,548
1 1 Bedroom	60%	\$1,340
2 2 Bedrooms	60%	\$1,608
1 3 Bedrooms	70%	\$2,168
4 1 Bedroom	80%	\$1,427
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$10,535,687
Construction Costs	\$44,221,338
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$4,454,334
Soft Cost Contingency	\$550,916
Relocation	\$2,918,000
Architectural/Engineering	\$2,648,714
Const. Interest, Perm. Financing	\$9,965,946
Legal Fees	\$455,000
Reserves	\$1,128,223
Other Costs	\$2,430,672
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$81,808,830

Residential

Construction Cost Per Square Foot:	\$451
Per Unit Cost:	\$818,088
True Cash Per Unit Cost*:	\$815,088

Construction Financing

Source	Amount
U.S. Bank Tax-Exempt	\$41,287,000
U.S. Bank Taxable	\$18,946,913
HCD - IIG	\$2,000,000
LAHD - HHH	\$12,000,000
LACDA - AHTF	\$2,350,000
Deferred Costs	\$2,064,223
Deferred Developer Fee	\$300,000
Tax Credit Equity	\$2,860,694

Permanent Financing

Source	Amount
U.S. Bank Tax-Exempt	\$8,929,200
HCD - IIG	\$2,000,000
HCD - AHSC	\$9,054,838
HCD - TOD	\$4,160,552
HCD - MHP	\$4,100,000
LAHD - HHH	\$12,000,000
LACDA - AHTF	\$2,450,000
Deferred Developer Fee	\$300,000
Tax Credit Equity	\$38,814,240
TOTAL	\$81,808,830

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$62,689,737
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$81,496,658
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,259,866
Total State Credit:	\$9,957,281
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Partnership Corporation
Federal Tax Credit Factor:	\$0.91576
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

Development costs are over \$815,000 per unit. The factors affecting this cost include real estate holding costs affected by an extended CEQA approval process, relocation cost for the 30 existing residents, construction of subterranean parking, a project labor agreement requirement, city-mandated exterior architectural design elements, and inclusion of larger 2-bedroom and 3-bedroom units in this supportive housing project.

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.

If points were awarded by CDLAC for housing type, the project shall comply with the housing type requirements at the time of CTCAC's Placed In Service review. The housing type requirement shall be conditioned in the CTCAC Regulatory Agreement and CTCAC Compliance staff shall verify the project is meeting those housing type requirements, consistent with California Code of Regulations, title 4, section 10322(i).