

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

**Project Staff Report
Tax-Exempt Bond Project
August 23, 2023**

Santa Fe Springs Village, located at 11330-11350 Washington Boulevard in Santa Fe Springs Village, requested and is being recommended for a reservation of \$1,018,680 in annual federal tax credits to finance the new construction of 43 units of housing serving seniors and special needs tenants with rents affordable to households earning 30%-55% of area median income (AMI). The project will be developed by Primestor Development, LLC and will be located in Senate District 30 and Assembly District 64.

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

Project Number CA-23-536

Project Name Santa Fe Springs Village
Site Address: 11330-11350 Washington Boulevard
Santa Fe Springs Village, CA 90606
County: Los Angeles
Census Tract: 5023.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,018,680	\$0
Recommended:	\$1,018,680	\$0

Applicant Information

Applicant: Santa Fe Springs Village, LP
Contact: Dalila Sotelo
Address: 9950 Jefferson Boulevard, Bldg 2
Culver City, CA 90232
Phone: (213) 588-1334
Email: dsotelo@primestor.com

General Partner(s) or Principal Owner(s): ALA Santa Fe, LLC
Veteran SFS GP, LLC
11350 Washington SFS, LLC

General Partner Type: Joint Venture
Parent Company(ies): Affordable Living for the Aging, Inc.
Primestor Development, LLC

Developer: Primestor Development, LLC
Bond Issuer: California Municipal Finance Authority (CMFA)
Investor/Consultant: Enterprise Community Partners, Inc.
Management Agent: FPI Management, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 43
No. / % of Low Income Units: 43 100.00%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax-Exempt / HUD-VASH Project-based Contract (20 Units - 47%)
HUD Section 8 Project-based Vouchers (22 Units - 51%)

Information

Housing Type: Special Needs
 Geographic Area: Balance of Los Angeles County
 CTCAC Project Analyst: Dylan Hervey

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	22	51%
50% AMI:	20	47%
55% AMI:	1	2%

Unit Mix

42 SRO/Studio Units
2 2-Bedroom Units
 44 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
22 SRO/Studio	30%	\$625
20 SRO/Studio	50%	\$1,040
1 2 Bedrooms	55%	\$1,474
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,445,000
Construction Costs	\$13,159,000
Construction Hard Cost Contingency	\$671,000
Soft Cost Contingency	\$425,000
Architectural/Engineering	\$555,000
Const. Interest, Perm. Financing	\$813,000
Legal Fees	\$170,000
Reserves	\$210,000
Other Costs	\$907,000
Developer Fee	\$2,555,000
Total	\$21,910,000

Residential

Construction Cost Per Square Foot:	\$519
Per Unit Cost:	\$497,955
True Cash Per Unit Cost*:	\$476,170

Construction Financing

Source	Amount
Cal Bank & Trust	\$11,440,000
LACDA ¹	\$3,080,000
Deferred Developer Fee	\$1,277,500
Tax Credit Equity	\$6,112,500

Permanent Financing

Source	Amount
Cal Bank & Trust	\$8,139,000
LACDA ¹	\$3,080,000
General Partner Equity	\$55,000
Deferred Developer Fee	\$958,540
Tax Credit Equity	\$9,677,460
TOTAL	\$21,910,000

¹Los Angeles County Development Authority (LACDA)

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$19,590,000
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$25,467,000
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,018,680
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,555,000
Investor/Consultant:	Enterprise Community Partners, Inc.
Federal Tax Credit Factor:	\$0.95000
State Tax Credit Factor:	\$0.89000

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.

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).