

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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

Valley Pride Village, located at 13200 Bromont Avenue in Sylmar (City of Los Angeles), requested and is being recommended for a reservation of \$3,269,233 in annual federal tax credits and \$15,103,683 in total state tax credits to finance the new construction and acquisition & rehabilitation of 178 units of housing serving seniors with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by Alliance Property Group, Inc. and will be located in Senate District 20 and Assembly District 43.

The project financing includes state funding from the Mixed-Income Program (MIP) through CalHFA.

Project Number CA-23-558

Project Name Valley Pride Village
Site Address: 13200 Bromont Avenue
Sylmar (City of Los Angeles), CA 91342
County: Los Angeles
Census Tract: 30234.00

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$3,269,233	\$15,103,683
Recommended:	\$3,269,233	\$15,103,683

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

Applicant Information

Applicant: Community Bible Community Development Corporation
Contact: Danielle Curls Bennett
Address: 1730 East Holly Avenue, Suite 327
El Segundo, CA 90245
Phone: 323-497-1705
Email: dcurlsbennett@apg-dev.com

General Partner(s) or Principal Owner(s): Valley Pride Village GP, LLC
Community Bible Community Development Corporation
General Partner Type: Joint Venture
Parent Company(ies): Alliance Property Group, Inc.
Community Bible Community Development Corporation
Developer: Alliance Property Group, Inc.
Bond Issuer: California Housing Finance Agency
Investor/Consultant: Hunt Capital Partners, LLC
Management Agent: FPI Management Inc.

Project Information

Construction Type: New Construction and Acquisition & Rehabilitation
 Total # Residential Buildings: 9
 Total # of Units: 180
 No. / % of Low Income Units: 178 100.00%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Seniors
 Geographic Area: City of Los Angeles
 CTCAC Project Analyst: Cynthia Compton

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	18	10%
40% AMI:	24	13%
50% AMI:	26	15%
60% AMI:	48	27%
80% AMI:	62	35%

Unit Mix

2 SRO/Studio Units
 177 1-Bedroom Units
 1 2-Bedroom Units

 180 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
2 SRO/Studio	60%	\$1,250
9 1 Bedroom	30%	\$670
9 1 Bedroom	30%	\$670
12 1 Bedroom	40%	\$893
12 1 Bedroom	40%	\$893
13 1 Bedroom	50%	\$1,116
13 1 Bedroom	50%	\$1,116
23 1 Bedroom	60%	\$1,339
23 1 Bedroom	60%	\$1,339
31 1 Bedroom	80%	\$1,786
31 1 Bedroom	80%	\$1,786
1 2 Bedrooms	Manager's Unit	\$0
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$20,645,000
Construction Costs	\$30,121,226
Rehabilitation Costs	\$4,069,120
Construction Hard Cost Contingency	\$2,366,115
Soft Cost Contingency	\$375,000
Relocation	\$0
Architectural/Engineering	\$1,187,471
Const. Interest, Perm. Financing	\$5,491,258
Legal Fees	\$140,000
Reserves	\$1,188,000
Other Costs	\$1,053,492
Developer Fee	\$7,342,475
Commercial Costs	\$0
Total	\$73,979,157

Residential

Construction Cost Per Square Foot:	\$367
Per Unit Cost:	\$410,995
True Cash Per Unit Cost*:	\$387,341

Construction Financing

Source	Amount
RBC Capital Markets: Tax-Exempt	\$35,000,000
CalHFA: Tax-Exempt, Recycled	\$2,500,000
Net Operating Income	\$2,000,000
Deferred Costs	\$6,982,896
Tax Credit Equity	\$27,496,261

Permanent Financing

Source	Amount
CalHFA: Tax-Exempt	\$19,645,000
CalHFA: MIP	\$4,000,000
Net Operating Income	\$3,516,000
Deferred Developer Fee	\$4,257,798
Tax Credit Equity	\$42,560,359
TOTAL	\$73,979,157

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$50,350,639
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$16,275,000
Applicable Fraction:	100.00%
Qualified Basis:	\$65,455,831
Qualified Basis (Acquisition):	\$16,275,000
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$2,618,233
Maximum Annual Federal Credit, Acquisition:	\$651,000
Total Maximum Annual Federal Credit:	\$3,269,233
Total State Credit:	\$15,103,683
Approved Developer Fee (in Project Cost & Eligible Basis):	\$7,342,475
Investor/Consultant:	Hunt Capital Partners, LLC
Federal Tax Credit Factor:	\$0.89991
State Tax Credit Factor:	\$0.87000

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).