

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report  
Tax-Exempt Bond Project  
December 6, 2023**

Santa Fe Springs Transit Square , located at 11350 Washington Boulevard in Santa Fe Springs, requested and is being recommended for a reservation of \$1,872,156 in annual federal tax credits to finance the new construction of 87 units of housing serving seniors and special needs tenants with rents affordable to households earning 30%-60% 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.

**Project Number** CA-23-599

**Project Name** Santa Fe Springs Transit Square  
Site Address: 11350 Washington Boulevard  
Santa Fe Springs, CA 90606  
County: Los Angeles  
Census Tract: 5023.03

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,872,156	\$0
Recommended:	\$1,872,156	\$0

**Applicant Information**

Applicant: Santa Fe Springs Transit Square, L.P.  
Contact: Dalila Sotelo  
Address: 9950 Jefferson Blvd, Bldg 2  
Culver City , CA 90232  
Phone: (213) 588-1334  
Email: dsotelo@primestor.com

General Partner(s) or Principal Owner(s): Transit SFS GP, LLC  
ALA Santa Fe, LLC  
General Partner Type: Joint Venture  
Parent Company(ies): Primestor Development, LLC  
Affordable Living for the Aging, Inc.  
Developer: Primestor Development, LLC  
Bond Issuer: CMFA  
Investor/Consultant: Enterprise Community Partners  
Management Agent: FPI Management

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 88  
No. / % of Low Income Units: 87 100.00%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (87 Units - 100%)

**Information**

Housing Type: Special Needs  
 Geographic Area: Balance of Los Angeles County  
 CTCAC Project Analyst: Brett Andersen

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	27	31%
50% AMI:	27	31%
60% AMI:	33	38%

**Unit Mix**

87 SRO/Studio Units
1 2-Bedroom Units
<b>88 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2023 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
27 SRO/Studio	30%	\$662
17 SRO/Studio	50%	\$1,032
10 SRO/Studio	50%	\$1,032
33 SRO/Studio	60%	\$1,257
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,530,000
Construction Costs	\$26,091,958
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,325,000
Soft Cost Contingency	\$238,107
Relocation	\$0
Architectural/Engineering	\$640,000
Const. Interest, Perm. Financing	\$1,870,886
Legal Fees	\$220,000
Reserves	\$419,339
Other Costs	\$962,110
Developer Fee	\$4,696,043
Commercial Costs	\$1,639,505
<b>Total</b>	<b>\$41,632,948</b>

**Residential**

Construction Cost Per Square Foot:	\$391
Per Unit Cost:	\$454,471
True Cash Per Unit Cost*:	\$454,471

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
California B&T Tax-Exempt	\$21,395,848	California B&T Tax-Exempt	\$16,448,000
California B&T Recycled Bond	\$5,000,000	California B&T Recycled Bond	\$5,000,000
Primestor Retail LLC <sup>1</sup>	\$1,639,505	Primestor Retail LLC <sup>1</sup>	\$1,639,505
General Partner Equity	\$1,696,043	General Partner Equity	\$1,696,043
Deferred Developer Fee	\$1,500,000	Tax Credit Equity	\$16,849,400
Tax Credit Equity	\$10,401,552	<b>TOTAL</b>	<b>\$41,632,948</b>

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

<sup>1</sup>Commercial component of project

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$36,002,994
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$46,803,892
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,872,156
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,696,043
Investor/Consultant:	Enterprise Community Partners
Federal 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

The reservation of tax credits is contingent upon verification by HUD of the rental subsidy contract rent amounts within 180 days of the date of reservation.

### Resyndication and Resyndication Transfer Event: None.

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).