

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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

Green Hotel Apartments , located at 50 E. Green Street in Pasadena, requested and is being recommended for a reservation of \$3,842,268 in annual federal tax credits to finance the acquisition & rehabilitation of 138 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Community Preservation Partners, LLC and is located in Senate District 25 and Assembly District 41.

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

Project Number CA-23-627

Project Name Green Hotel Apartments
Site Address: 50 E. Green Street
Pasadena, CA 91105
County: Los Angeles
Census Tract: 4636.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$3,842,268	\$0
Recommended:	\$3,842,268	\$0

Applicant Information

Applicant: Green Hotel Community Partners, LP
Contact: Seth Gellis
Address: 17782 Sky Park Circle
Irvine, CA 92614
Phone: 949.278.3658
Email: sgellis@cpp-housing.com

General Partner(s) or Principal Owner(s): Green Hotel GP, LLC
FFAH V Green Hotel Apartments, LLC
General Partner Type: Joint Venture
Parent Company(ies): WNC Development Partners 4, LLC
Foundation for Affordable Housing V, Inc
Developer: Community Preservation Partners, LLC
Bond Issuer: CMFA
Investor/Consultant: WNC & Associates, Inc.
Management Agent: Winn Residential California LP

Project Information

Construction Type: Acquisition & Rehabilitation
Total # Residential Buildings: 1
Total # of Units: 139
No. / % of Low Income Units: 138 100.00%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (138 Units - 100%)

Information

Housing Type: Non-Targeted
 Geographic Area: Balance of Los Angeles County
 CTCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	15	11%
50% AMI:	42	30%
60% AMI:	81	59%

Unit Mix

99 SRO/Studio Units
39 1-Bedroom Units
1 2-Bedroom Units
139 Total Units

Unit Type & Number	2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
10 SRO/Studio	30%	\$662
47 SRO/Studio	60%	\$1,324
5 1 Bedroom	30%	\$709
34 1 Bedroom	60%	\$1,419
42 SRO/Studio	50%	\$1,103
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$54,000,000
Rehabilitation Costs	\$18,840,555
Construction Hard Cost Contingency	\$2,788,583
Soft Cost Contingency	\$150,000
Relocation	\$417,000
Architectural/Engineering	\$757,050
Const. Interest, Perm. Financing	\$12,378,741
Legal Fees	\$250,000
Reserves	\$1,659,000
Other Costs	\$543,712
Developer Fee	\$9,526,644
Total	\$101,311,285

Residential

Construction Cost Per Square Foot:	\$227
Per Unit Cost:	\$728,858
True Cash Per Unit Cost*:	\$683,750

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank, NA - Tax-Exempt	\$48,640,047	Citibank, NA - Tax-Exempt	\$48,640,047
Citibank, NA - Taxable	\$9,609,953	Citibank, NA - Taxable	\$9,609,953
Citibank, NA - Recyled Bonds	\$23,000,000	Net Operating Income	\$1,442,418
Net Operating Income	\$2,039,217	Deferred Developer Fee	\$6,270,000
Deferred Developer Fee	\$9,000,000	Tax Credit Equity	\$35,348,867
Tax Credit Equity	\$9,022,068	TOTAL	\$101,311,285

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$34,630,454
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$54,284,893
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$45,019,590
Qualified Basis (Acquisition):	\$54,284,893
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,670,872
Maximum Annual Federal Credit, Acquisition:	\$2,171,396
Total Maximum Annual Federal Credit:	\$3,842,268
Approved Developer Fee in Project Cost:	\$9,526,644
Approved Developer Fee in Eligible Basis:	\$9,526,644
Investor/Consultant:	WNC & Associates, Inc.
Federal Tax Credit Factor:	\$0.92000

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

Staff noted a per unit development cost of \$683,750, which is relatively higher than the average in the geographic area. The applicant noted that the high per unit cost is attributed to the rehabilitation necessary to repair this historic building.

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.

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).