

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

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

Grisham Community Housing, located at 11 West 49th Street in Long Beach, requested and is being recommended for a reservation of \$937,180 in annual federal tax credits and \$13,804,682 in total state tax credits to finance the acquisition & rehabilitation of 94 units of housing serving families with rents affordable to households earning 35%-50% of area median income (AMI). The project will be developed by Abode Communities and is located in Senate District 33 and Assembly District 69.

Grisham Community Housing is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Grisham Community Housing (CA-2002-923). See Resyndication and Resyndication Transfer Event below for additional information. The project financing includes state funding from the Multifamily Housing Program (MHP) of HCD.

**Project Number** CA-23-640

**Project Name** Grisham Community Housing  
**Site Address:** 11 West 49th Street  
Long Beach, CA 90805  
**County:** Los Angeles  
**Census Tract:** 5717.01

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$937,180	\$13,804,682
Recommended:	\$937,180	\$13,804,682

\* The applicant made an election not to sell (Certificate) any portion of the state credits.

**Applicant Information**

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

**General Partner(s) or Principal Owner(s):** Abode Communities  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** Abode Communities  
**Developer:** Abode Communities  
**Bond Issuer:** CMFA  
**Investor/Consultant:** California Housing Partnership  
**Management Agent:** Abode Communities

**Project Information**

**Construction Type:** Acquisition & Rehabilitation  
**Total # Residential Buildings:** 24  
**Total # of Units:** 96  
**No. / % of Low Income Units:** 94 100.00%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** Tax-Exempt

**Information**

Housing Type: Large Family  
 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>
35% AMI:	32	34%
50% AMI:	62	66%

**Unit Mix**

66 2-Bedroom Units  
 30 3-Bedroom Units  


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 96 Total Units

<b>Unit Type &amp; Number</b>	<b>2023 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
13 2 Bedrooms	35%	\$993
13 3 Bedrooms	35%	\$994
6 2 Bedrooms	35%	\$993
1 2 Bedrooms	50%	\$1,105
4 3 Bedrooms	50%	\$1,147
44 2 Bedrooms	50%	\$1,105
13 3 Bedrooms	50%	\$1,277
2 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$23,131,661
Construction Costs	\$0
Rehabilitation Costs	\$11,375,902
Construction Hard Cost Contingency	\$1,706,385
Soft Cost Contingency	\$198,679
Relocation	\$0
Architectural/Engineering	\$642,132
Const. Interest, Perm. Financing	\$2,452,708
Legal Fees	\$162,917
Reserves	\$266,600
Other Costs	\$361,582
Developer Fee	\$2,000,000
Commercial Costs	\$258,199
<b>Total</b>	<b>\$42,556,765</b>

**Residential**

Construction Cost Per Square Foot:	\$111
Per Unit Cost:	\$440,473
True Cash Per Unit Cost*:	\$440,473

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank Tax-Exempt	\$13,192,000	HCD - MHP <sup>1</sup>	\$6,168,501
Citibank Recycled Bond	\$3,611,000	HCD - MHP <sup>1</sup> Deferred Interest	\$449,959
HCD - MHP <sup>1</sup>	\$6,168,501	LACDA <sup>2</sup>	\$2,210,557
HCD - MHP <sup>1</sup> Deferred Interest	\$449,959	LACDA <sup>2</sup> Deferred Interest	\$161,248
LACDA <sup>2</sup>	\$2,210,557	LBCIC <sup>3</sup>	\$12,493,511
LACDA <sup>2</sup> Deferred Interest	\$161,248	LBCIC <sup>3</sup> Deferred Interest	\$911,334
LBCIC <sup>3</sup>	\$12,493,511	Tax Credit Equity	\$20,161,655
LBCIC <sup>3</sup> Deferred Interest	\$911,334	<b>TOTAL</b>	<b>\$42,556,765</b>
Deferred Costs	\$1,313,460		
Tax Credit Equity	\$2,045,195		

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

<sup>1</sup>Housing and Community Development - Multifamily Housing Program

<sup>2</sup>Los Angeles County Development Authority

<sup>3</sup>Long Beach Community Investment Company

#### Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$17,663,553
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$5,765,941
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$17,663,553
Qualified Basis (Acquisition):	\$5,765,941
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$706,542
Maximum Annual Federal Credit, Acquisition:	\$230,638
Total Maximum Annual Federal Credit:	\$937,180
Total State Credit:	\$13,804,682
Approved Developer Fee in Project Cost:	\$2,000,000
Approved Developer Fee in Eligible Basis:	\$1,986,794
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.89926
State Tax Credit Factor:	\$0.85000

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

Prior to closing, the applicant or its assignee shall obtain CTCAC's consent to assign and assume the existing Regulatory Agreement, Grisham Community Housing (CA-92-923). To be eligible for a new award of tax credits, the owner must provide documentation with the Form 8609 request (the placed in service submission) that the acquisition date and the placed in service date both occurred after the existing federal 15 year compliance period was completed. For resyndications that were originally rehabilitation and acquisition, the resyndication acquisition date cannot occur before the last rehabilitation credit year of the

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

The newly resyndicated project shall continue to meet the rents and income targeting levels in the existing regulatory agreement(s) and any deeper targeting levels in the new regulatory agreement(s) for the duration of the new regulatory agreement(s).

Existing households determined to be income-qualified for purposes of IRC §42 credit during the 15-year compliance period are concurrently income-qualified households for purposes of the extended use agreement. As a result, any household determined to be income qualified at the time of move-in under the existing regulatory agreement, Grisham Community Housing (CA-92-923) is a qualified low-income household for the subsequent allocation (existing household eligibility is "grandfathered").

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from the requirements under CTCAC Regulation Section 10320(b)(4)(B).

### **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).