

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

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

One San Pedro Phase I (aka 327 Harbor Apartments), located at 327 North Harbor Blvd. in Los Angeles, requested and is being recommended for a reservation of \$1,947,909 in annual federal tax credits to finance the new construction of 46 units of housing serving families with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by The Richman Group of California Development Company, LLC and will be located in Senate District 35 and Assembly District 65.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Infill Infrastructure Grant (IIG) program of HCD.

**Project Number** CA-23-653

**Project Name** One San Pedro Phase I (aka 327 Harbor Apartments)  
Site Address: 327 North Harbor Blvd.  
Los Angeles, CA 90731  
County: Los Angeles  
Census Tract: 2962.10

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,947,909	\$0
Recommended:	\$1,947,909	\$0

**Applicant Information**

Applicant: One San Pedro Phase I, LP  
Contact: Rick Westberg  
Address: 2727 Newport Blvd, Suite 203  
Newport , CA 92663  
Phone: 619-708-8797  
Email: westbergr@richmancapital.com

General Partner(s) or Principal Owner(s): National Core Renaissance of California  
Century Affordable Development, Inc.  
Richman OSP Phase I GP, LLC  
General Partner Type: Joint Venture  
Parent Company(ies): Century Housing Corporation  
TRG OSP Phase I Member, LLC.  
Developer: The Richman Group of California Development Company, LLC  
Bond Issuer: Housing Authority of the City of Los Angeles  
Investor/Consultant: The Richman Group Affordable Housing Corporation  
Management Agent: Richman Property Services

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 47  
No. / % of Low Income Units: 46 100.00%  
Federal Set-Aside Elected: 40%/60% Average Income  
Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (46 Units - 100%)

**Information**

Housing Type: Large Family  
 Geographic Area: City of Los Angeles  
 CTCAC Project Analyst: Dylan Hervey

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	14	30%
40% AMI:	13	28%
50% AMI:	13	28%
60% AMI:	4	9%
80% AMI:	2	4%

**Unit Mix**

12 1-Bedroom Units
23 2-Bedroom Units
12 3-Bedroom Units
<b>47 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2023 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
1 1 Bedroom	30%	\$709
2 1 Bedroom	30%	\$709
4 1 Bedroom	40%	\$946
3 1 Bedroom	50%	\$1,182
2 1 Bedroom	60%	\$1,419
2 2 Bedrooms	30%	\$851
6 2 Bedrooms	30%	\$851
6 2 Bedrooms	40%	\$1,135
6 2 Bedrooms	50%	\$1,418
1 2 Bedrooms	60%	\$1,702
1 2 Bedrooms	80%	\$2,214
2 3 Bedrooms	30%	\$983
1 3 Bedrooms	30%	\$983
3 3 Bedrooms	40%	\$1,311
4 3 Bedrooms	50%	\$1,639
1 3 Bedrooms	60%	\$1,967
1 3 Bedrooms	80%	\$2,623
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,780,500
Construction Costs	\$24,908,836
Construction Hard Cost Contingency	\$1,240,442
Soft Cost Contingency	\$200,000
Architectural/Engineering	\$1,885,000
Const. Interest, Perm. Financing	\$3,766,000
Legal Fees	\$475,000
Reserves	\$594,297
Other Costs	\$1,690,000
Developer Fee	\$4,650,000
<b>Total</b>	<b>\$43,190,075</b>

## Residential

Construction Cost Per Square Foot:	\$506
Per Unit Cost:	\$918,938
True Cash Per Unit Cost*:	\$908,209

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Bank of America - Tax-Exempt	\$22,460,305	Bank of America - Tax-Exempt	\$10,571,000
Bank of America - Taxable	\$1,250,000	HACLA <sup>1</sup>	\$3,579,250
HACLA <sup>1</sup>	\$3,579,250	HACLA <sup>1</sup>	\$920,750
HACLA <sup>1</sup>	\$920,750	HACLA - IIG Catalytic <sup>2</sup>	\$3,459,704
HACLA - IIG Catalytic <sup>2</sup>	\$3,459,704	National Community Renaissance	\$3,500,000
National Community Renaissance	\$3,500,000	Deferred Developer Fee	\$504,239
Deferred Developer Fee	\$4,650,000	Contributed Developer Fee	\$2,150,000
Deferred Operating Deficit	\$594,297	Tax Credit Equity	\$18,505,132
Tax Credit Equity	\$2,775,770	<b>TOTAL</b>	<b>\$43,190,075</b>

<sup>1</sup>The Housing Authority of the City of Los Angeles

<sup>2</sup>Infill Infrastructure Grant - Catalytic Qualifying Infill Area program ("IIGC")

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

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$37,463,528
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$48,702,586
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,947,909
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,650,000
Investor/Consultant:	The Richman Group Affordable Housing Corporation
Federal Tax Credit Factor:	\$0.95000

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 \$908,209. The applicant noted that the per unit cost is attributed to ground improvement, transportation of lead-impacted soil to an appropriate land fill, prevailing wages, an elevator and a significant purchase price.

**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).