CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 6, 2023

Panorama View Apartments, located at 9222 Van Nuys Boulevard in Panorama City, requested and is being recommended for a reservation of $1,269,891 in annual federal tax credits to finance the acquisition & rehabilitation of 87 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Panorama II Developer Limited Partnership and is located in Senate District 20 and Assembly District 43.

Panorama View Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Panorama View Apartments (CA-07-087). See Resyndication and Resyndication Transfer Event below for additional information.

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

Project Number CA-23-659

Project Name Panorama View Apartments

Site Address:	9222 Van Nuys Boulevard Panorama City, CA 91402
County:	Los Angeles
Census Tract:	1193.41

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,269,891	$0
Recommended:	$1,269,891	$0

Applicant Information

Applicant:	Panorama II Preservation Limited Partnership
Contact:	Charles Treatch
Address:	601 Cypress Avenue, Suite 302 Hermosa Beach, CA 90254
Phone:	(310) 802-6681
Email:	chuck@preservationpartners.org

General Partner(s) or Principal Owner(s):	Panorama II Preservation Partners LLC Cornucopia Services
General Partner Type:	Joint Venture
Parent Company(ies):	Preservation Partners Development Cornucopia Services
Developer:	Panorama II Developer Limited Partnership
Bond Issuer:	CSCDA
Investor/Consultant:	Candeur Group LLC
Management Agent:	FPI Management

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	3
Total # of Units:	89
No. / % of Low Income Units:	87 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Contract (87 Units - 100%)

Information

Housing Type:	Seniors
Geographic Area:	City of Los Angeles
CTCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	9	10%
35% AMI:	9	10%
40% AMI:	9	10%
45% AMI:	9	10%
50% AMI:	9	10%
60% AMI:	42	48%

Unit Mix

20	SRO/Studio Units
67	1-Bedroom Units
2	2-Bedroom Units
89	Total Units

Unit Type & Number		2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
3	SRO/Studio	30%	$662
3	SRO/Studio	35%	$772
3	SRO/Studio	40%	$883
3	SRO/Studio	45%	$993
3	SRO/Studio	50%	$1,103
5	SRO/Studio	60%	$1,324
6	1 Bedroom	30%	$709
6	1 Bedroom	35%	$827
6	1 Bedroom	40%	$946
6	1 Bedroom	45%	$1,064
6	1 Bedroom	50%	$1,182
37	1 Bedroom	60%	$1,419
2	2 Bedrooms	Manager Units	$0

Project Cost Summary at Application

Land and Acquisition	$23,100,000
Construction Costs	$0
Rehabilitation Costs	$5,214,408
Construction Hard Cost Contingency	$507,300
Soft Cost Contingency	$100,000
Relocation	$348,000
Architectural/Engineering	$325,000
Const. Interest, Perm. Financing	$2,093,493
Legal Fees	$355,000
Reserves	$420,000
Other Costs	$624,416
Developer Fee	$2,285,143
Commercial Costs	$0
Total	**$35,372,760**

Residential

Construction Cost Per Square Foot:	$94
Per Unit Cost:	$397,447
True Cash Per Unit Cost*:	$327,168

Construction Financing

Source	Amount
Lument: Tax-Exempt	$15,780,000
Seller Carryback: Tax-Exempt	$4,220,000
Seller Carryback	$2,184,468
Seller Contribution	$772,650
Candeur Group Contribution	$100
General Partner Contribution	$100
Net Operating Income	$882,067
Deferred Developer Fee	$1,691,951
Tax Credit Equity	$9,841,424

Permanent Financing

Source	Amount
Lument: Tax-Exempt	$15,780,000
Seller Carryback: Tax-Exempt	$4,220,000
Seller Carryback	$2,034,842
Seller Contribution	$772,650
Candeur Group Contribution	$100
General Partner Contribution	$100
Net Operating Income	$882,067
Tax Credit Equity	$11,683,001
TOTAL	**$35,372,760**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$9,700,778
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	$22,050,000
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$9,700,778
Qualified Basis (Acquisition):	$22,050,000
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$387,891
Maximum Annual Federal Credit, Acquisition:	$882,000
Total Maximum Annual Federal Credit:	$1,269,891
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,285,143
Investor/Consultant:	Candeur Group LLC
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: 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 (CA-07-087). 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 original credit period.

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 (CA-07-087) is a qualified low-income household for the subsequent allocation (existing household eligibility is "grandfathered").

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on CTCAC staff's review of the commitment in the application. The services documented in the placed-in-service package will be reviewed by CTCAC staff for compliance with this requirement at the time of the placed-in-service submission.

The project is a resyndication occurring concurrently with a Transfer Event with distribution of Net Project Equity. The rehabilitation scope of work shall include all of the Short Term Work in the amount of $772,650. In consideration of the Short Term Work requirement, the seller of the project will give a credit in the amount of at least $772,650. As a result of the seller credit, the project is allowed to receive eligible basis for the entire Short Term Work amount.

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).