

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
April 8, 2025**

VA Building 408, located at 11301 Wilshire Boulevard in Los Angeles on a 1.55 acre site, requested and is being recommended for a reservation of \$3,771,815 in annual federal tax credits and \$40,700,000 of tax-exempt bond cap to finance the new construction of 101 units of housing, consisting of 100 restricted rental units and 1 unrestricted manager's unit. The project will have 97 one-bedroom units, and 4 two-bedroom units, serving special needs tenants with rents affordable to households earning 30%-80% of area median income (AMI). The construction is expected to begin in October 2025 and be completed in January 2028. The project will be developed by TSA Housing, Inc. and will be located in Senate District 24 and Assembly District 42.

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

Project Number CA-25-427

Project Name VA Building 408
Site Address: 11301 Wilshire Boulevard
Los Angeles, CA 90073
County: Los Angeles
Census Tract: 9800.17

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$3,771,815	\$0
Recommended:	\$3,771,815	\$0

Tax-Exempt Bond Allocation
Recommended: \$40,700,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: VA Building 408 LP
Contact: Jordan Pynes
Address: 11811 San Vicente Boulevard
Los Angeles, CA 90049
Phone: 310-820-2236
Email: TSAapplications@tsahousing.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: CalHFA
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citi Community Capital

Development Team
General Partners / Principal Owners: Housing Corporation of America
VA Building 408 LLC
General Partner Type: Joint Venture
Parent Companies: Housing Corporation of America
TSA Housing, Inc.
Developer: TSA Housing, Inc.
Investor/Consultant: CREA LLC
Management Agent: Thomas Safran & Associates, Inc.

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	101
No. / % of Low Income Units:	100 100.00%
Average Targeted Affordability:	50.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt / HUD VASH Section 8 Project-based Vouchers (100 Units - 100%) / US Department of Veterans Affairs (US VA)

Information

Housing Type:	Special Needs
% of Special Need Units:	75 units 75%
Geographic Area:	Balance of Los Angeles County
State Ceiling Pool:	New Construction
Set Aside:	Homeless Set Aside
Homeless Set Aside Units:	75
CDLAC Project Analyst:	Erin DeBlaquiere
CTCAC Project Analyst:	Chris Saenz

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	50	50%
60% AMI:	25	25%
80% AMI*:	25	25%

Unit Mix

97	1-Bedroom Units
4	2-Bedroom Units
101	Total Units

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
50 1 Bedroom	30%	\$780
25 1 Bedroom	60%	\$1,560
22 1 Bedroom	80%	\$2,080
3 2 Bedrooms	80%	\$2,496
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$325,001
Construction Costs	\$44,342,416
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$4,368,157
Soft Cost Contingency	\$1,226,306
Relocation	\$0
Architectural/Engineering	\$1,915,500
Const. Interest, Perm. Financing	\$10,913,086
Legal Fees	\$535,000
Reserves	\$517,775
Other Costs	\$3,453,452
Developer Fee	\$9,461,074
Commercial Costs	\$0
Total	\$77,057,767

Residential

Construction Cost Per Square Foot:	\$511
Per Unit Cost:	\$762,948
Estimated Hard Per Unit Cost:	\$401,253
True Cash Per Unit Cost*:	\$703,928
Bond Allocation Per Unit:	\$402,970
Bond Allocation Per Restricted Rental Unit:	\$542,667

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank: Tax-Exempt	\$40,700,000	Citibank	\$13,936,131
Citibank: Taxable	\$11,070,168	US VA: Capital Contribution	\$16,513,169
T2T ¹ : Grant	\$5,958,750	T2T ¹ : Grant	\$7,458,750
Deferred Reserves	\$517,775	Deferred Developer Fee	\$5,961,074
Deferred Developer Fee	\$8,211,074	Tax Credit Equity	\$33,188,643
Tax Credit Equity	\$10,600,000	TOTAL	\$77,057,767

*Less Donated Land, Seller Carryback Loans, Waived Fees, and Deferred Developer Fee

¹Tunnel to Towers Foundation

Determination of Credit Amount(s)

Requested Eligible Basis:	\$72,534,901
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$94,295,371
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,771,815
Approved Developer Fee (in Project Cost & Eligible Basis):	\$9,461,074
Federal Tax Credit Factor:	\$0.87991

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.

CTCAC Significant Information / Additional Conditions

Staff noted a per unit development cost of \$703,928. The applicant noted that the per unit cost is attributed to prevailing wages, construction supply chain, and construction loan interest.

The project will restrict 75 Low-Income Units (75%) to serve Special Needs Populations, as defined in CTCAC Regulations Section 10302(kkk).

CDLAC Analyst Comments: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

The applicant 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).

Point Criteria	New Const. Max. Points	Rehabilitation Max. Points	Points Scored
Preservation and Other Rehabilitation Project Priorities	0	20	0
New Construction Density and Local Incentives	10	0	10
Exceeding Minimum Income Restrictions	20	20	20
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	10
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	120

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.

Tie Breaker: 120.762%