

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

U.S.VETS-WLAVA Building 256, located at 11450 Vandergrift Avenue in Los Angeles on a 1.15 acre site, requested and is being recommended for a reservation of \$1,747,299 in annual federal tax credits and \$22,432,000 of tax-exempt bond cap to finance the new construction & adaptive reuse of 41 units of housing, consisting of 40 restricted rental units and 1 unrestricted manager's unit. The project will have 4 studio units, 31 one-bedroom units, and 6 two-bedroom units, serving special needs tenants with rents affordable to households earning 30%-50% of area median income (AMI). The rehabilitation is expected to begin in October 2025 and be completed in August 2027. The project will be developed by U.S.VETS Housing Corporation and will be located in Senate District 24 and Assembly District 42.

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

Project Number CA-25-434

Project Name U.S.VETS-WLAVA Building 256
Site Address: 11450 Vandergrift Avenue
Los Angeles, CA 90049
County: Los Angeles
Census Tract: 9800.17

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,747,299	\$0
Recommended:	\$1,747,299	\$0

Tax-Exempt Bond Allocation
Recommended: \$22,432,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: U.S.VETS-WLAVA Building 256, LLC
Contact: Lori Allgood
Address: 800 West 6th Street, Suite 1505
Los Angeles, CA 90017
Phone: 213-610-7649
Email: lallgood@usvets.org

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Housing Finance Agency
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, N.A.

Development Team

General Partners / Principal Owners:	U.S.VETS-WLAVA Building 256, LLC Kingdom Greenleaf, LLC
General Partner Type:	Nonprofit
Parent Companies:	U.S.VETS Housing Corporation Kingdom Development, Inc.
Developer:	U.S.VETS Housing Corporation
Investor/Consultant:	CREA LLC
Management Agent:	Hyder Property Management Professionals

Project Information

Construction Type:	New Construction & Adaptive Reuse	
Total # Residential Buildings:	1	
Total # of Units:	41	
No. / % of Low Income Units:	40	100.00%
Average Targeted Affordability:	39.00%	
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt / HUD VASH Section 8 Project-based Vouchers (40 Units - 100%) / US Department of Veterans Affairs (US VA)	

Information

Housing Type:	Special Needs
Geographic Area:	City of Los Angeles
State Ceiling Pool:	New Construction
Set Aside:	Homeless Set Aside
Homeless Set Aside Units:	40
CDLAC Project Analyst:	Brandon Medina
CTCAC Project Analyst:	Cynthia Compton

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	22	55%
50% AMI:	18	45%

Unit Mix

4	SRO/Studio Units
31	1-Bedroom Units
6	2-Bedroom Units
41	Total Units

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
4 SRO/Studio	30%	\$728
15 1 Bedroom	30%	\$780
15 1 Bedroom	50%	\$1,300
3 2 Bedrooms	30%	\$936
3 2 Bedrooms	50%	\$1,560
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$20,000
Construction Costs	\$25,972,520
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,632,103
Soft Cost Contingency	\$250,000
Relocation	\$0
Architectural/Engineering	\$3,200,000
Const. Interest, Perm. Financing	\$3,936,643
Legal Fees	\$1,040,000
Reserves	\$213,034
Other Costs	\$982,845
Developer Fee	\$5,367,621
Commercial Costs	\$0
Total	\$43,614,766

Residential

Construction Cost Per Square Foot:	\$706
Per Unit Cost:	\$1,063,775
Estimated Hard Per Unit Cost:	\$546,067
True Cash Per Unit Cost*:	\$1,006,956
Bond Allocation Per Unit:	\$547,122
Bond Allocation Per Restricted Rental Unit:	\$560,800

Construction Financing

Source	Amount
Citibank: Tax-Exempt	\$22,432,000
Citibank: Taxable	\$3,815,130
T2T ¹ Construction Grant	\$6,000,000
T2T ¹ : Pre-Development Grant	\$875,000
Deferred Costs	\$7,344,277
Tax Credit Equity	\$3,148,359

Permanent Financing

Source	Amount
US VA: Capital Contribution	\$12,928,607
T2T ¹ : Construction Grant	\$6,000,000
T2T ¹ : Pre-Development Grant	\$875,000
The Home Depot Foundation	\$492,548
Deferred Developer Fee	\$2,329,550
Solar Tax Credit Equity	\$5,963,792
Tax Credit Equity	\$15,025,269
TOTAL	\$43,614,766

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

¹Tunnels to Towers Foundation

Determination of Credit Amount(s)

Requested Eligible Basis:	\$41,151,766
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$53,497,296
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,747,299
Approved Developer Fee (in Project Cost & Eligible Basis):	\$5,367,621
Federal Tax Credit Factor:	\$0.85991

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 \$1,006,956. The applicant noted that the per unit cost is attributed to prevailing wages, supply chain issues, the site being a historical site, and construction loan interest.

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

This project will include the adaptive reuse of a vacant three story building built in 1950. Upon completion, the project will include 40 LIHTC units and 1 manager's unit.

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: 93.030%