

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
August 5, 2025**

Crenshaw Court, located at 1035 Crenshaw in Los Angeles on a 0.33 acre site, requested and is being recommended for a reservation of \$1,117,480 in annual federal tax credits and \$7,750,326 in total state tax credits and \$14,387,558 of tax-exempt bond cap to finance the new construction of 70 units of housing, consisting of 69 restricted rental units and 1 unrestricted manager's unit. The project will have 30 one-bedroom units, 20 two-bedroom units, and 20 three-bedroom units, serving families with rents affordable to households earning 30%-70% of area median income (AMI). The construction is expected to begin in February 2026 and be completed in February 2028. The project will be developed by Arden Development, Inc. and will be located in Senate District 28 and Assembly District 55.

Project Number	CA-25-575
Project Name	Crenshaw Court
Site Address:	1035 Crenshaw Los Angeles, CA 90019
County:	Los Angeles
Census Tract:	12702.00

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,117,480	\$7,750,326
Recommended:	\$1,117,480	\$7,750,326

* The applicant made an election to sell (Certificate) all or any portion of the state credits.

Tax-Exempt Bond Allocation	
Recommended:	\$14,387,558

CTCAC Applicant Information	
CTCAC Applicant/CDLAC Sponsor:	Kingdom Development, Inc.
Contact:	William Leach
Address:	6451 Box Springs Blvd. Riverside, CA 92507
Phone:	(951) 538-6244
Email:	william@Kingdomdevelopment.net

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

Development Team

General Partners / Principal Owners:	Kingdom BI, LLC Crenshaw Court LLC Spada Development LLC
General Partner Type:	Joint Venture
Parent Companies:	Kingdom Development, Inc. Arden Development, Inc Spada Development LLC
Developer:	Arden Development, Inc.
Investor/Consultant:	RBC Community Investments
Management Agent:	Aperto Property Management, Inc

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	70
No. / % of Low Income Units:	69 100.00%
Average Targeted Affordability:	60.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt

Information

Housing Type:	Large Family
Geographic Area:	City of Los Angeles
State Ceiling Pool:	BIPOC
CDLAC Project Analyst:	Sarah Lester
CTCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	7	10%
50% AMI:	7	10%
60% AMI:	27	39%
70% AMI*:	28	41%

*CTCAC restricted only

Unit Mix

30	1-Bedroom Units
20	2-Bedroom Units
20	3-Bedroom Units
70	Total Units

Unit Type & Number	2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
3 1 Bedroom	30%	\$852
3 1 Bedroom	50%	\$1,420
12 1 Bedroom	60%	\$1,704
12 1 Bedroom	70%	\$1,988
2 2 Bedrooms	30%	\$1,022
2 2 Bedrooms	50%	\$1,703
7 2 Bedrooms	60%	\$2,044
8 2 Bedrooms	70%	\$2,385
2 3 Bedrooms	30%	\$1,181
2 3 Bedrooms	50%	\$1,969
8 3 Bedrooms	60%	\$2,363
8 3 Bedrooms	70%	\$2,757
1 2 Bedrooms	Manager Unit	\$2,440

Project Cost Summary at Application

Land and Acquisition	\$41,000
Construction Costs	\$16,353,076
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$895,679
Soft Cost Contingency	\$596,237
Relocation	\$0
Architectural/Engineering	\$1,774,147
Const. Interest, Perm. Financing	\$3,827,250
Legal Fees	\$780,088
Reserves	\$746,738
Other Costs	\$1,722,252
Developer Fee	\$4,656,167
Commercial Costs	\$0
Total	\$31,392,634

Residential

Construction Cost Per Square Foot:	\$318
Per Unit Cost:	\$448,466
Estimated Hard Per Unit Cost:	\$206,463
True Cash Per Unit Cost*:	\$407,619
Bond Allocation Per Unit:	\$205,537
Bond Allocation Per Restricted Rental Unit:	\$350,916

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank: Tax-Exempt	\$14,387,558	Citibank: Tax-Exempt	\$12,835,459
Citibank: Recycled Tax-Exempt	\$1,500,000	Deferred Developer Fee	\$2,859,284
Citibank: Taxable	\$6,761,849	Tax Credit Equity	\$15,697,891
Deferred Costs	\$6,388,543	TOTAL	\$31,392,634
Tax Credit Equity	\$2,354,684		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,937,006
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$27,937,006
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,117,480
Total State Credit:	\$7,750,326
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,656,167
Federal Tax Credit Factor:	\$0.84991
State Tax Credit Factor:	\$0.80000

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

Pursuant to CTCAC Regulation Section 10326(g)(5), general partners and management companies lacking documented experience with Section 42 requirements using the minimum scoring standards at Section 10325(c)(2)(A) and (B) shall be required to complete training as prescribed by CTCAC prior to a project's placing in service.

CDLAC Analyst Comments: Non

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: 103.285%