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

The Lincoln Hotel, located at 549 - 551 Ceres Avenue in Los Angeles on a 0.19 acre site, requested and is being recommended for a reservation of $383,620 in annual federal tax credits and $4,950,000 of tax-exempt bond cap to finance the acquisition & rehabilitation of 41 units of housing, consisting of 40 restricted rental units and 1 unrestricted manager's unit. The project has 40 studio units, 1 one-bedroom unit, serving special needs tenants with rents affordable to households earning 30%-35% of area median income (AMI). The construction is expected to begin in February 2026 and be completed in August 2026. The project will be developed by Hope Credits, L.P. and is located in Senate District 28 and Assembly District 57.

The Lincoln Hotel is a resyndication of an existing Low Income Housing Tax Credit (LIHTC) project, The Lincoln Hotel (CA-99-034). See Resyndication and Resyndication Transfer Event below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number	CA-25-610
Project Name	The Lincoln Hotel
Site Address:	549 - 551 Ceres Avenue Los Angeles, CA 90013
County:	Los Angeles
Census Tract:	2063.03

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$383,620	$0
Recommended:	$383,620	$0

Tax-Exempt Bond Allocation

Recommended:	$4,950,000

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor:	Hope Credits L.P.
Contact:	Adam Kent
Address:	9744 Wilshire Boulevard, Suite 311 Los Angeles, CA 90212
Phone:	818-298-5614
Email:	adam@hope4la.org

Bond Financing Information

CDLAC Applicant/Bond Issuer:	California Municipal Finance Authority
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser:	PMF CA REIT, LLC

Development Team

General Partners / Principal Owners:	Decro Lincoln Corporation Hope For SoMa, LLC
General Partner Type:	Joint Venture
Parent Companies:	Decro Lincoln Corporation Hope Credits, L.P.
Developer:	Hope Credits, L.P.
Investor/Consultant:	TYH Credit Fund, LLC (Self-Syndication)
Management Agent:	Hart District Management, Inc.

Project Information

Construction Type:	Acquisition & Rehabilitation	
Total # Residential Buildings:	1	
Total # of Units:	41	
No. / % of Low Income Units:	40	100.00%
Average Targeted Affordability:	32.50%	
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt / HUD Section 8 RAD Project-based Vouchers (40 Units - 100%)	

Information

Housing Type:	Special Needs	
% of Special Need Units:	40 units	100%
Geographic Area:	City of Los Angeles	
State Ceiling Pool:	Preservation	
CDLAC Project Analyst:	Anthony Wey	
CTCAC Project Analyst:	Cynthia Compton	

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	20	50%
35% AMI:	20	50%

Unit Mix

40	SRO/Studio Units
1	1-Bedroom Units
41	Total Units

Unit Type & Number		2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
20	SRO/Studio	30%	$300
20	SRO/Studio	35%	$300
1	1 Bedroom	Manager’s Unit	$0

Project Cost Summary at Application

Land and Acquisition	$6,000,000
Construction Costs	$0
Rehabilitation Costs	$1,942,500
Construction Hard Cost Contingency	$194,250
Soft Cost Contingency	$10,739
Relocation	$173,000
Architectural/Engineering	$72,550
Const. Interest, Perm. Financing	$891,835
Legal Fees	$30,000
Reserves	$248,726
Other Costs	$130,662
Developer Fee	$676,093
Commercial Costs	$0
Total	**$10,370,355**

Residential

Construction Cost Per Square Foot:	$100
Per Unit Cost:	$252,935
Estimated Hard Per Unit Cost:	$42,683
True Cash Per Unit Cost*:	$235,862
Bond Allocation Per Unit:	$120,732
Bond Allocation Per Restricted Rental Unit:	$123,750

Construction Financing

Source	Amount
PMF[1]: Tax-Exempt	$4,950,000
PMF[1]: Taxable	$2,933,575
PMF[1]: Recycled Tax Exempt	$450,000
Seller Carryback	$700,000
Deferred Costs	$953,159
Tax Credit Equity	$383,621

Permanent Financing

Source	Amount
Berkadia: Tax-Exempt	$5,834,148
Seller Carryback	$700,000
Tax Credit Equity	$3,836,207
TOTAL	**$10,370,355**

*Less Donated Land, Seller Carryback Loans, Waived Fees, and Deferred Developer Fee
[1]Private Mortgage Fund, LLC

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$3,201,552
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$5,428,500
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$4,162,018
Qualified Basis (Acquisition):	$5,428,500
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$166,480
Maximum Annual Federal Credit, Acquisition:	$217,140
Total Maximum Annual Federal Credit:	$383,620
Approved Developer Fee (in Project Cost & Eligible Basis):	$676,093
Federal Tax Credit Factor:	$1.00000

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
The applicant has requested and been granted a waiver to reduce the 10% mobility feature requirement under CTCAC Regulation Section 10325(f)(7)(K) down to 5%.

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

CDLAC Analyst Comments: 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-99-034). 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-99-024) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from setting aside a Short Term Work Capitalized Replacement Reserve that is otherwise required.

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	14
New Construction Density and Local Incentives	10	0	0
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	0
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	0
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	104

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: 272.488%