

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
 CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
 Project Staff Report
 Qualified Private Activity Tax-Exempt Bond Project
 December 10, 2025**

Esperanza Village, located at 4024 Durfee Avenue in El Monte on a 2.73 acre site, requested and is being recommended for a reservation of \$6,605,518 in annual federal tax credits and \$37,500,176 of tax-exempt bond cap to finance the new construction of 202 units of housing, consisting of 200 restricted rental units and 2 unrestricted manager's units. The project will have 147 one-bedroom units, 29 two-bedroom units, and 26 three-bedroom units, serving special needs tenants with rents affordable to households earning 30%-70% of area median income (AMI). The construction is expected to begin in June 2026 and be completed in June 2028. The project will be developed by National Community Renaissance of California and will be located in Senate District 22 and Assembly District 49.

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

Project Number CA-25-823

Project Name Esperanza Village
 Site Address: 4024 Durfee Avenue
 El Monte, CA 91732
 County: Los Angeles
 Census Tract: 4333.06

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$6,605,518	\$0
Recommended:	\$6,605,518	\$0

Tax-Exempt Bond Allocation
 Recommended: \$37,500,176

CTCAC Applicant Information
 CTCAC Applicant/CDLAC Sponsor: National Community Renaissance of California
 Contact: Michael de la Torre
 Address: 9692 Haven Avenue, Suite 100
 Rancho Cucamonga, CA 91730
 Phone: 909-639-1875
 Email: mdelatorre@nationalcore.org

Bond Financing Information
 CDLAC Applicant/Bond Issuer: LACDA
 Bond Counsel: Hawkins, Delafield & Wood LLP
 Private Placement Purchaser: Citi Community Capital

Development Team

General Partners / Principal Owners:	National Community Renaissance of California Prima Development
General Partner Type:	Nonprofit
Parent Companies:	National Community Renaissance of California Prima Development
Developer:	National Community Renaissance of California
Investor/Consultant:	Hudson Housing Capital
Management Agent:	National Community Renaissance of California

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	2
Total # of Units:	202
No. / % of Low Income Units:	200 100.00%
Average Targeted Affordability:	39.20%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (154 Units - 76%)

Information

Housing Type:	Special Needs
% of Special Need Units:	154 units 77%
Geographic Area:	Balance of Los Angeles County
State Ceiling Pool:	New Construction
Set Aside:	Homeless Set Aside
Homeless Set Aside Units:	100
CDLAC Project Analyst:	Daisy Andrade
CTCAC Project Analyst:	Cynthia Compton

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	154	77%
70% AMI*:	46	23%

*CTCAC restricted only

Unit Mix

147	1-Bedroom Units
29	2-Bedroom Units
26	3-Bedroom Units
202	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
147 1 Bedroom	30%	\$852
7 2 Bedrooms	30%	\$1,022
21 2 Bedrooms	70%	\$2,385
25 3 Bedrooms	70%	\$2,757
1 2 Bedrooms	Manager's Unit	\$0
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$13,761,747
Construction Costs	\$82,610,245
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$4,472,100
Soft Cost Contingency	\$573,369
Relocation	\$0
Architectural/Engineering	\$2,800,000
Const. Interest, Perm. Financing	\$9,181,877
Legal Fees	\$340,000
Reserves	\$1,945,882
Other Costs	\$7,818,492
Developer Fee	\$16,569,025
Commercial Costs	\$0
Total	\$140,072,737

Residential

Construction Cost Per Square Foot:	\$513
Per Unit Cost:	\$693,429
Estimated Hard Per Unit Cost:	\$342,695
True Cash Per Unit Cost*:	\$649,387
Bond Allocation Per Unit:	\$185,644
Bond Allocation Per Restricted Rental Unit:	\$243,508

Construction Financing

<u>Source</u>	<u>Amount</u>
Citi: Tax-Exempt	\$37,500,176
Citi: Taxable	\$22,792,112
County of Los Angeles	\$6,900,000
LACDA ¹	\$32,395,938
Accrued Interest	\$2,008,809
Developer Fee Contribution	\$5,172,441
Deferred Costs	\$2,740,478
Deferred Developer Fee	\$8,896,584
General Partner Equity	\$100
Tax Credit Equity	\$21,666,099

Permanent Financing

<u>Source</u>	<u>Amount</u>
Citi: Tax-Exempt	\$24,959,556
County of Los Angeles	\$6,900,000
LACDA ¹	\$37,970,000
Accrued Interest	\$2,008,808
Developer Fee Contribution	\$5,172,441
Deferred Developer Fee	\$8,896,584
General Partner Equity	\$100
Tax Credit Equity	\$54,165,248
TOTAL	\$140,072,737

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

¹Los Angeles County Development Authority

Determination of Credit Amount(s)

Requested Eligible Basis:	\$127,029,198
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$165,137,957
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$6,605,518
Approved Developer Fee (in Project Cost & Eligible Basis):	\$16,569,025
Federal Tax Credit Factor:	\$0.82000

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: None.

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 25% 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	0
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	9
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	119

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: 218.091%