

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

Queen Apartments, located at five sites (see below) in Los Angeles County on a total of 0.73 acres, requested and is being recommended for a reservation of \$1,598,157 in annual federal tax credits and \$10,750,000 of tax-exempt bond cap to finance the acquisition & rehabilitation of 95 units of housing, consisting of 92 restricted rental units and 4 unrestricted manager's units. The project has 86 studio units, 9 one-bedroom units, serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in March 2026 and be completed in December 2026. The project will be developed by Alliance Property Group, Inc. and is located in Senate District 28 and Assembly District 57.

Queen Apartments is a resyndication of an existing Low Income Housing Tax Credit (LIHTC) project, Queens Apartments (CA-2007-805). 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 Vouchers.

Project Number	CA-25-831	
Project Name	Queen Apartments	
Site Addresses:	Site 1 2620 South Orchard Avenue Los Angeles, CA 90007 County: Los Angeles Census Tract: 2218.20	Site 2 5217 West Marathon Street Los Angeles, CA 90007 County: Los Angeles Census Tract: 1917.10
	Site 3 445 Lucas Avenue Los Angeles, CA 90007 County: Los Angeles Census Tract: 2091.03	Site 4 451 Lucas Avenue Los Angeles, CA 90007 County: Los Angeles Census Tract: 2091.03
	Site 5 516 South Union Los Angeles, CA 90007 County: Los Angeles Census Tract: 2091.05	

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,598,157	\$0
Recommended:	\$1,598,157	\$0

Tax-Exempt Bond Allocation	
Recommended:	\$10,750,000

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor: Queen Apartments GP, LLC
 Contact: Phillip Curls
 Address: 1730 East Holly Avenue, Suite 327
 Los Angeles, CA 90245
 Phone: (323) 497-1705
 Email: pcurls@apg-dev.com

Bond Financing Information

CDLAC Applicant/Bond Issuer: City of Los Angeles
 Bond Counsel: Kutak Rock LLP
 Private Placement Purchaser: Berkadia Commercial Mortgage LLC

Development Team

General Partners / Principal Owners: Community Revitalization & Development Corporation
 Queen Apartments GP, LLC
 General Partner Type: Joint Venture
 Parent Companies: Community Revitalization & Development Corporation
 APG Holdings 2, LLC
 Developer: Alliance Property Group, Inc.
 Investor/Consultant: Enterprise Housing Credit Investment
 Management Agent: HDSI Management

Project Information

Construction Type: Acquisition & Rehabilitation
 Total # Residential Buildings: 5
 Total # of Units: 96
 No. / % of Low Income Units: 92 100.00%
 Average Targeted Affordability: 51.74%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers
 (96 Units - 100%)

Information

Housing Type: Non-Targeted
 Geographic Area: City of Los Angeles
 State Ceiling Pool: BIPOC
 CDLAC Project Analyst: Sarah Lester
 CTCAC Project Analyst: Chris Saenz

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	13	14%
50% AMI:	37	40%
60% AMI:	42	46%

Unit Mix

86	SRO/Studio Units
9	1-Bedroom Units
95	Total Units

Unit Type & Number	2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
3 SRO/Studio	30%	\$795
12 SRO/Studio	50%	\$1,325
14 SRO/Studio	60%	\$1,590
1 SRO/Studio	30%	\$795
3 SRO/Studio	50%	\$1,325
4 SRO/Studio	60%	\$1,590
1 SRO/Studio	30%	\$795
3 SRO/Studio	50%	\$1,325
3 SRO/Studio	60%	\$1,590
3 SRO/Studio	30%	\$795
9 SRO/Studio	50%	\$1,325
12 SRO/Studio	60%	\$1,590
2 SRO/Studio	30%	\$795
6 SRO/Studio	50%	\$1,325
7 SRO/Studio	60%	\$1,590
1 1 Bedroom	30%	\$852
1 1 Bedroom	50%	\$1,420
2 1 Bedroom	60%	\$1,704
1 1 Bedroom	30%	\$852
2 1 Bedroom	50%	\$1,420
1 1 Bedroom	30%	\$852
1 1 Bedroom	50%	\$1,420
1 SRO/Studio	Manager's Unit	\$1,745
1 SRO/Studio	Manager's Unit	\$1,970
1 SRO/Studio	Manager's Unit	\$1,970
1 1 Bedroom	Manager's Unit	\$2,115

Project Cost Summary at Application

Land and Acquisition	\$21,227,500
Construction Costs	\$0
Rehabilitation Costs	\$9,741,472
Construction Hard Cost Contingency	\$974,147
Soft Cost Contingency	\$46,863
Relocation	\$350,000
Architectural/Engineering	\$478,366
Const. Interest, Perm. Financing	\$3,626,632
Legal Fees	\$230,000
Reserves	\$900,000
Other Costs	\$588,946
Developer Fee	\$3,574,347
Commercial Costs	\$0
Total	\$41,738,273

Residential

Construction Cost Per Square Foot:	\$252
Per Unit Cost:	\$434,774
Estimated Hard Per Unit Cost:	\$88,000
True Cash Per Unit Cost*:	\$327,203
Bond Allocation Per Unit:	\$111,979
Bond Allocation Per Restricted Rental Unit:	\$116,848

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Berkadia: Tax-Exempt	\$10,750,000	Berkadia: Tax-Exempt	\$10,750,000
Berkadia: Taxable Tail	\$5,250,000	Seller Carryback	\$8,500,000
Berkadia: Taxable Equity Bridge	\$5,073,006	Net Operating Income	\$1,500,000
Seller Carryback	\$8,500,000	Deferred Developer Fee	\$2,153,942
Deferred Costs	\$4,112,208	Freddie Mac: Taxable	\$5,250,000
Net Operating Income	\$1,400,000	Tax Credit Equity	\$13,584,331
Tax Credit Equity	\$6,653,059	TOTAL	\$41,738,273

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$15,956,086
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$19,215,000
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$20,742,912
Qualified Basis (Acquisition):	\$19,215,000
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$829,557
Maximum Annual Federal Credit, Acquisition:	\$768,600
Total Maximum Annual Federal Credit:	\$1,598,157
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,574,347
Federal Tax Credit Factor:	\$0.85000

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

This project involves the substantial rehabilitation of 5 buildings across five scattered-sites. This acquisition/rehabilitation project has a pre-existing Section 8 Project-based Contract in effect for all sites.

This project is a scattered site of 5 separate sites. Scattered site projects must have at least one manager's unit at each site where the site's building(s) consist of 16 or more Low-Income and Market-Rate Units and the sites are more than 100 years of each other. This project has 4 manager units. Pursuant to CTCAC Regulation Section 10325(f)(7)(J), in lieu of the 5th manager unit, the project has committed to employ an equivalent number of on-site full-time property management staff and provide an equivalent number of desk or security staff capable of responding to emergencies for the hours when property management staff is not working. All staff or contractors performing desk or security work shall be knowledgeable of how the property's fire system operates and be trained in, and have participated in, fire evacuation drills for tenants. CTCAC reserves the right to require that one or more on-site managers' units be provided and occupied by property management staff if, in its sole discretion, it determines as part of any on-site inspection that the project has not been adequately operated and/or maintained.

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: 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-07-805). 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 and any deeper targeting levels in the new regulatory agreement for the duration of the new regulatory agreement. 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-07-805) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on CTCAC staff’s review of the commitment in the application. The services documented in the placed in service package will be reviewed by CTCAC staff for compliance with this requirement at the time of the placed in service submission.

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	20
New Construction Density and Local Incentives	10	0	0
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	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	110

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: 252.923%