

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
May 12, 2026**

Flats on Sunset, located at 1150 Sunset Boulevard in Los Angeles on a 1.04 acre site, requested and is being recommended for a reservation of \$5,057,130 in annual federal tax credits, \$4,384,953 in total state tax credits, and \$29,219,439 of tax-exempt bond cap to finance the new construction of 237 units of housing, consisting of 235 restricted rental units and 2 unrestricted manager's units. The project will have 116 one-bedroom units, 62 two-bedroom units, and 59 three-bedroom units, serving families with rents affordable to households earning 30%-80% of area median income (AMI). The construction is expected to begin in November 2026 and be completed in November 2028. The project will be developed by Samuelian Group, LLC and will be located in Senate District 26 and Assembly District 52.

Project Number CA-26-427

Project Name Flats on Sunset
Site Address: 1150 Sunset Boulevard
Los Angeles, CA 90012
County: Los Angeles
Census Tract: 1976.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$5,057,130	\$4,384,953
Recommended:	\$5,057,130	\$4,384,953

Tax-Exempt Bond Allocation
Recommended: \$29,219,439

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Kingdom Development, Inc.
Contact: William Leach
Address: 6451 Box Springs Boulevard
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: Citi Community Capital

Development Team

General Partners / Principal Owners: Kingdom Development, Inc.
 Samuelian Group, LLC
 General Partner Type: Joint Venture
 Parent Companies: Kingdom Development, Inc.
 Samuelian Group, LLC
 Developer: Samuelian Group, LLC
 Investor/Consultant: Boston Financial
 Management Agent: FPI Management Corporation

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 237
 No. / % of Low Income Units: 235 100.00%
 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: New Construction
 CDLAC Project Analyst: Amit Sarang
 CTCAC Project Analyst: Jacob Couch

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	39	17%
40% AMI:	1	0%
50% AMI:	24	10%
60% AMI:	76	32%
70% AMI*:	47	20%
80% AMI*:	48	20%

*CTCAC restricted only

Unit Mix

116	1-Bedroom Units
62	2-Bedroom Units
59	3-Bedroom Units
<u>237</u>	<u>Total Units</u>

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
27 1 Bedroom	30%	\$852
1 1 Bedroom	40%	\$1,136
12 1 Bedroom	50%	\$1,420
76 1 Bedroom	60%	\$1,704
6 2 Bedrooms	30%	\$1,022
6 2 Bedrooms	50%	\$1,703
48 2 Bedrooms	80%	\$2,726
6 3 Bedrooms	30%	\$1,181
6 3 Bedrooms	50%	\$1,969
47 3 Bedrooms	70%	\$2,757
2 2 Bedrooms	Manager's Unit	\$2,726

Project Cost Summary at Application

Land and Acquisition	\$9,020,000
Construction Costs	\$62,565,050
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$5,418,700
Soft Cost Contingency	\$1,134,033
Relocation	\$0
Architectural/Engineering	\$3,132,900
Const. Interest, Perm. Financing	\$12,170,433
Legal Fees	\$750,000
Reserves	\$1,288,540
Other Costs	\$4,014,867
Developer Fee	\$16,208,750
Commercial Costs	\$0
Total	\$115,703,273

Residential

Construction Cost Per Square Foot:	\$326
Per Unit Cost:	\$488,199
Estimated Hard Per Unit Cost:	\$229,049
True Cash Per Unit Cost*:	\$431,201
Bond Allocation Per Unit:	\$123,289
Bond Allocation Per Restricted Rental Unit:	\$208,710

<u>Construction Financing</u>		<u>Permanent Financing</u>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citibank: Tax-Exempt	\$29,219,439	Citibank: Taxable	\$56,580,832
Citibank: Taxable	\$64,108,029	Deferred Developer Fee	\$13,508,751
Deferred Developer Fee	\$15,533,751	Tax Credit Equity	\$45,613,690
Tax Credit Equity	\$6,842,054	TOTAL	\$115,703,273

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$97,252,506
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$126,428,258
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$5,057,130
Total State Credit:	\$4,384,953
Approved Developer Fee (in Project Cost & Eligible Basis):	\$16,208,750
Federal Tax Credit Factor:	\$0.83000
State Tax Credit Factor:	\$0.83000

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 and the terms of the bond and tax credit award as presented in the application and summarized in this staff report. CTCAC will verify the project complied with all terms of the award at placed-in-service review.

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).

CA-26-427 / Flats on Sunset

Points System	Max. Possible		Points Requested	Points Awarded
	New Const.	Rehab.		
New Construction Density and Local Incentives	10	0	10	10
Project is located in a "pro-housing" jurisdiction	10	0	10	10
Exceeding Minimum Income Restrictions	20	20	20	20
Tax Credit Units: 10% @ <=30% AMI & 10% @ <=50% AMI	20	0	20	20
Exceeding Minimum Rent Restrictions	10	10	10	10
Average targeted affordability is 37% below market comparables	10	10	10	10
General Partner & Management Company	10	10	10	10
General Partner Experience	7	7	7	7
Management Company Experience	3	3	3	3
Housing Needs	10	0	10	10
Readiness to Proceed	10	10	10	10
Access to Opportunity	10	0	10	10
High or Highest Resource Area; 10% @ 30% AMI, 10% @ 50% AMI	10	0	10	10/9
Service Amenities	10	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES; NON-TARGETED				
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3	3
Cost Containment	12	12	12	12
Project eligible basis is 115% less than the CDLAC adjusted TBL; 2 pts per %	12	12	12	12
Site Amenities	10	10	10	10
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3	3
Within 1/2 mile of public library	3	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5	5
Within 1 mile of an adult education campus or community college	3	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	3	3
Within 1/2 mile of a pharmacy	2	2	2	2
Highest or High Resource Area	3	0	3	3
Total Points	112	102	112	112

Tie Breaker:

219.605%