

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

The project, 975 Manhattan, located at 975 South Manhattan Place in Los Angeles on a 0.65 acre site, requested and is being recommended for a reservation of \$2,686,191 in annual federal tax credits and \$14,728,320 of tax-exempt bond cap to finance the new construction of 147 units of housing, consisting of 146 restricted rental units and 1 unrestricted manager's unit. The project will have 73 one-bedroom units, 51 two-bedroom units, and 23 three-bedroom units, serving tenants with rents affordable to households earning 30%-70% 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 Arden Development, Inc. and will be located in Senate District 26 and Assembly District 54.

Project Number CA-26-463

Project Name 975 Manhattan
 Site Address: 975 South Manhattan Place
 Los Angeles, CA 90019
 County: Los Angeles
 Census Tract: 2131.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,686,191	\$0
Recommended:	\$2,686,191	\$0

Tax-Exempt Bond Allocation
 Recommended: \$14,728,320

CTCAC Applicant Information
 CTCAC Applicant/CDLAC Sponsor: 975 Manhattan, LLC
 Contact: Garrett Lee
 Address: 3470 Wilshire Boulevard, Suite 700
 Los Angeles, CA 90010
 Phone: (213) 365-5000
 Email: garrettle@jamisonservices.com

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: 975 Manhattan, LLC
 Kingdom AX LLC
 General Partner Type: Joint Venture
 Parent Companies: Arden Residential LLC
 Kingdom Development, Inc.
 Developer: Arden Development, Inc.
 Investor/Consultant: R4 Capital
 Management Agent: Aperto Property Management, Inc.

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 147
 No. / % of Low Income Units: 146 100.00%
 Average Targeted Affordability: 59.66%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Non-Targeted
 Geographic Area: City of Los Angeles
 State Ceiling Pool: New Construction
 CDLAC Project Analyst: Brandon Medina
 CTCAC Project Analyst: Michael Couzens

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	35	24%
60% AMI:	11	8%
70% AMI*:	100	68%

*CTCAC restricted only

Unit Mix

73	1-Bedroom Units
51	2-Bedroom Units
23	3-Bedroom Units
147	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
17 1 Bedroom	30%	\$852
7 1 Bedroom	60%	\$1,704
48 1 Bedroom	70%	\$1,988
12 2 Bedrooms	30%	\$1,022
39 2 Bedrooms	70%	\$2,385
6 3 Bedrooms	30%	\$1,181
4 3 Bedrooms	60%	\$2,363
13 3 Bedrooms	70%	\$2,757
1 1 Bedroom	Manager's Unit	\$2,200

Project Cost Summary at Application

Land and Acquisition	\$900,000
Construction Costs	\$36,136,729
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,537,900
Soft Cost Contingency	\$475,000
Relocation	\$0
Architectural/Engineering	\$1,938,355
Const. Interest, Perm. Financing	\$5,219,344
Legal Fees	\$1,088,853
Reserves	\$799,247
Other Costs	\$2,430,381
Developer Fee	\$6,737,938
Commercial Costs	\$0
Total	\$57,263,747

Residential

Construction Cost Per Square Foot:	\$321
Per Unit Cost:	\$389,549
Estimated Hard Per Unit Cost:	\$209,329
True Cash Per Unit Cost*:	\$346,148
Bond Allocation Per Unit:	\$100,193
Bond Allocation Per Restricted Rental Unit:	\$320,181

Construction Financing

<u>Source</u>	<u>Amount</u>
Citi: Tax Exempt	\$14,728,320
Citi: Recycled Tax-Exempt	\$5,700,000
Citi: Taxable	\$22,084,391
Deferred Costs	\$9,996,953
Tax Credit Equity	\$4,754,083

Permanent Financing

<u>Source</u>	<u>Amount</u>
Citi: Tax-Exempt	\$27,113,347
Deferred Developer Fee	\$6,379,987
Tax Credit Equity	\$23,770,413
TOTAL	\$57,263,747

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$51,657,527
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$67,154,785
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,686,191
Approved Developer Fee (in Project Cost & Eligible Basis):	\$6,737,938
Federal Tax Credit Factor:	\$0.88491

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-26-463 / 975 Manhattan

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 23% 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	9	9
10% @ 30% AMI, 10% @ 50% AMI	9	0	9	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 63% less than the CDLAC adjusted TBL; 1 pt 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 1/2 mile of medical clinic or hospital	3	3	3	3
Within 1/2 mile of a pharmacy	2	2	2	2
Total Points	112	102	111	111

Tie Breaker:

242.277%