

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

Van Nuys Apartments, located at 210 West 7th Street in Los Angeles on a 0.61 acre site, requested \$7,050,781 in annual federal tax credits but is being recommended for \$7,016,725 in annual federal tax credits and \$42,000,000 of tax-exempt bond cap to finance the acquisition & rehabilitation of 299 units of housing, consisting of 297 restricted rental units and 2 unrestricted manager's units. The project has 132 studio units, 157 one-bedroom units, and 10 two-bedroom units, serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in May 2026 and be completed in December 2027. The project will be developed by TBF Related Affordable SPE and is located in Senate District 28 and Assembly District 57.

Van Nuys Apartments is a resyndication of an existing Low Income Housing Tax Credit (LIHTC) project, Van Nuys Apartments (CA-2009-555). 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-26-480

Project Name Van Nuys Apartments
Site Address: 210 West 7th Street
Los Angeles, CA 90014
County: Los Angeles
Census Tract: 2073.03

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$7,050,781	\$0
Recommended:	\$7,016,725	\$0

Tax-Exempt Bond Allocation
Recommended: \$42,000,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Van Nuys Senior Housing, L.P.
Contact: Geoffrey Moen
Address: 30 Hudson Yards
New York,
Phone: 504-782-1010
Email: gmoen@related.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority
Bond Counsel: Jones Hall, A Professional Law Corporation
Public Sale: Applicable
Underwriter: Jeffries LLC

Development Team

General Partner / Principal Owner:	Rainbow Housing Assistance Corporation
General Partner Type:	Nonprofit
Parent Company:	Rainbow Housing Assistance Corporation
Developer:	TBF Related Affordable SPE
Investor/Consultant:	Hudson Housing
Management Agent:	RA Management, LLC

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	1
Total # of Units:	299
No. / % of Low Income Units:	297 100.00%
Average Targeted Affordability:	44.95%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (297 Units - 99%)

Information

Housing Type:	Non-Targeted
Geographic Area:	City of Los Angeles
State Ceiling Pool:	Acquisition/Rehabilitation
CDLAC Project Analyst:	Sarah Lester
CTCAC Project Analyst:	Sabrina Yang

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	149	50%
60% AMI:	148	50%

Unit Mix

132	SRO/Studio Units
157	1-Bedroom Units
10	2-Bedroom Units
299	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
66 SRO/Studio	30%	\$795
66 SRO/Studio	60%	\$1,590
79 1 Bedroom	30%	\$852
78 1 Bedroom	60%	\$1,704
4 2 Bedrooms	30%	\$1,022
4 2 Bedrooms	60%	\$2,044
1 2 Bedrooms	Manager's Unit	\$0
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$68,000,000
Construction Costs	\$0
Rehabilitation Costs	\$54,629,000
Construction Hard Cost Contingency	\$5,492,900
Soft Cost Contingency	\$600,243
Relocation	\$2,500,000
Architectural/Engineering	\$1,747,500
Const. Interest, Perm. Financing	\$8,757,751
Legal Fees	\$355,000
Reserves	\$1,539,700
Other Costs	\$1,705,000
Developer Fee	\$14,216,379
Commercial Costs	\$0
Total	\$159,543,473

Residential

Construction Cost Per Square Foot:	\$193
Per Unit Cost:	\$533,590
Estimated Hard Per Unit Cost:	\$161,706
True Cash Per Unit Cost*:	\$488,874
Bond Allocation Per Unit:	\$140,468
Bond Allocation Per Restricted Rental Unit:	\$141,414

Construction Financing

Source	Amount
Capital One: Tax-Exempt	\$42,000,000
Capital One: Recycled Tax-Exempt	\$10,750,000
Capital One: Taxable	\$23,000,000
Net Operating Income	\$6,571,000
Deferred Developer Fee	\$13,370,279
Tax Credit Equity	\$64,162,106

Permanent Financing

Source	Amount
Capital One: Tax-Exempt	\$42,000,000
Capital One: Recycled Tax-Exempt	\$10,750,000
Capital One: Taxable	\$23,000,000
Net Operating Income	\$6,571,000
Deferred Developer Fee	\$13,370,279
Tax Credit Equity	\$63,852,194
TOTAL	\$159,543,473

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$84,796,486
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$65,453,585
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$110,235,432
Qualified Basis (Acquisition):	\$65,453,585
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$4,398,582
Maximum Annual Federal Credit, Acquisition:	\$2,618,143
Total Maximum Annual Federal Credit:	\$7,016,725
Approved Developer Fee in Project Cost:	\$14,216,379
Approved Developer Fee in Eligible Basis:	\$13,916,379
Federal Tax Credit Factor:	\$0.91000

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 project's 3-month operating reserve is less than the amount required under CTCAC Regulation Section 10327(c)(7)(B) by \$416,526. Under CTCAC Regulation Section 10327(a) initial application errors resulting in a shortage of sources up to the higher of \$100,000 or 50% of the contingency line item shall be deemed covered by the contingency line item. However, at the submission of the next updated CTCAC application required by CTCAC, and all subsequent submissions to CTCAC, including the placed-in-service submission for the issuance of the IRS 8609 forms, the applicant must fund the 3-month operating reserve at a level that meets the requirement of CTCAC Regulation Section 10327(c)(7)(B).

Per CTCAC Regulation Section 10325(f)(7)(J), in lieu of 1 manager's 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.

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-09-555). 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-09-555) 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.

The project is a resyndication occurring concurrently with a Transfer Event with distribution of Net Project Equity, which is otherwise required to set aside a Short Term Work Capitalized Reserve in the amount of \$1,549,750. In lieu of a Short Term Work Capitalized Reserve, there has been a reduction in purchase price from the appraisal, allowing the applicant to use Short Term Work Reserve Amount to fund rehabilitation expenses and to receive eligible basis for that amount.

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-26-480 / Van Nuys Apartments

Points System	Max. Possible		Points Requested	Points Awarded
	New Const.	Rehab.		
Acquisition/Rehabilitation Project Priorities	0	20	18	18
No distribution of net project equity to GP/related party	0	10	10	10
No partial/full repayment of existing soft financing >500k or 1.5% TDC				
Cash-out developer fee limited to 80% of CTCAC cash-out limit				
\$120k+ hard costs/Tax Credit Units, 2+ major building systems	0	8	8	8
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 42% 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
Readiness to Proceed	10	10	10	10
Service Amenities	10	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES; NON-TARGETED				
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5	5
Cost Containment	12	12	12	12
Project eligible basis is 41% 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 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
Total Points	112	102	100	100

Tie Breaker:

267.303%