

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

Bana at Palmdale, located at 38732 9th Street East in Palmdale on a 1.02 acre site, requested and is being recommended for a reservation of \$1,146,118 in annual federal tax credits and \$6,000,000 of tax-exempt bond cap to finance the new construction of 48 units of housing, consisting of 47 restricted rental units and 1 unrestricted manager's unit. The project will have 20 two-bedroom units, and 28 three-bedroom units, serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in August 2026 and be completed in March 2028. The project will be developed by MILARE Housing Investments, Inc. and will be located in Senate District 21 and Assembly District 39.

Project Number CA-26-484

Project Name Bana at Palmdale
Site Address: 38732 9th Street East
Palmdale, CA 93350

County: Los Angeles
Census Tract: 9105.01

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,146,118	\$0
Recommended:	\$1,146,118	\$0

Tax-Exempt Bond Allocation
Recommended: \$6,000,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: MILARE Housing Investments, Inc.
Contact: Ali Milani
Address: 313 East Broadway #10777
Glendale, CA 91209
Phone: 818-550-1990
Email: ali.milani@milarehousing.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Citibank, N.A.

Development Team

General Partners / Principal Owners: 9th Street E Investor LLC
 Deep Green Housing and Community Development
 General Partner Type: Joint Venture
 Parent Companies: MILARE Housing Investments, Inc.
 Deep Green Housing and Community Development
 Developer: MILARE Housing Investments, Inc.
 Investor/Consultant: R4 Capital LLC
 Management Agent: Quality Management Group, Inc.

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 48
 No. / % of Low Income Units: 47 100.00%
 Average Targeted Affordability: 55.74%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt

Information

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

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	5	11%
50% AMI:	5	11%
60% AMI:	37	79%

Unit Mix

20	2-Bedroom Units
28	3-Bedroom Units
48	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 2 Bedrooms	30%	\$1,022
2 2 Bedrooms	50%	\$1,703
15 2 Bedrooms	60%	\$2,044
3 3 Bedrooms	30%	\$1,181
3 3 Bedrooms	50%	\$1,969
22 3 Bedrooms	60%	\$2,363
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$242,823
Construction Costs	\$16,663,483
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$486,517
Soft Cost Contingency	\$55,000
Relocation	\$0
Architectural/Engineering	\$450,468
Const. Interest, Perm. Financing	\$1,713,950
Legal Fees	\$61,620
Reserves	\$270,915
Other Costs	\$984,614
Developer Fee	\$2,100,000
Commercial Costs	\$0
Total	\$23,029,390

Residential

Construction Cost Per Square Foot:	\$339
Per Unit Cost:	\$479,779
Estimated Hard Per Unit Cost:	\$324,646
True Cash Per Unit Cost*:	\$437,071
Bond Allocation Per Unit:	\$125,000
Bond Allocation Per Restricted Rental Unit:	\$127,660

Construction Financing

Source	Amount
Citibank: Tax-Exempt	\$6,000,000
Citibank: Taxable	\$11,000,000
Deferred Costs	\$270,915
Deferred Developer Fee	\$2,050,000
General Partner Equity	\$1,213,293
Tax Credit Equity	\$2,495,182

Permanent Financing

Source	Amount
Citibank: Tax-Exempt	\$9,967,766
Deferred Developer Fee	\$2,050,000
General Partner Equity	\$1,213,293
Tax Credit Equity	\$9,798,331
TOTAL	\$23,029,390

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$22,040,735
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$28,652,956
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,146,118
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,100,000
Federal Tax Credit Factor:	\$0.85491

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's annual per unit operating expense total is below the CTCAC published per unit operating minimums of \$6,200. As allowed by CTCAC Regulation Section 10327(g)(1), CTCAC approves an annual per unit operating expense total of \$6,031 on agreement of the permanent lender and equity investor.

The project's 3-month operating reserve is less than the amount required under CTCAC Regulation Section 10327(c)(7)(B) by \$230,697. 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).

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-26-484 / Bana at Palmdale

Points System	Max. Possible		Points Requested	Points Awarded
	New Const.	Rehab.		
New Construction Density and Local Incentives	10	0	10	10
Project density is at least 100 bedrooms/net acre	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 13% 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 56% 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 3/4 mile of public park or community center open to general public	2	2	2	2
Within 1/2 mile of public library	3	3	3	3
Within 1 1/2 miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3	3
Within 1 1/2 miles of a public high school	2	2	2	2
Total Points	112	102	111	111

Tie Breaker:

271.112%