

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

Florence & Holmes, located at 1725 East Florence Avenue in Los Angeles on a 0.58 acre site, requested and is being recommended for a reservation of \$1,857,569 in annual federal tax credits and \$9,894,017 of tax-exempt bond cap to finance the new construction of 135 units of housing, consisting of 134 restricted rental units and 1 unrestricted manager's unit. The project will have 135 one-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 September 2028. The project will be developed by Positive Development, LLC and will be located in Senate District 33 and Assembly District 57.

Project Number CA-26-487

Project Name Florence & Holmes
Site Address: 1725 East Florence Avenue
Los Angeles, CA 90001
County: Los Angeles
Census Tract: 5330.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,857,569	\$0
Recommended:	\$1,857,569	\$0

Tax-Exempt Bond Allocation
Recommended: \$9,894,017

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: SLT 1725 FLORENCE AVE, LP
Contact: Nicolas Cazalis
Address: 1000 East 60th Street
Los Angeles, CA 90001
Phone: 714-887-9505
Email: nick@solaimpact.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Housing Finance Authority
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, N.A.

Development Team

General Partners / Principal Owners: SLT 1725 FLORENCE GP, LLC
 Housing on Merit
 General Partner Type: Joint Venture
 Parent Companies: SOLA IMPACT LT OWNER, LLC
 Housing on Merit
 Developer: Positive Development, LLC
 Investor/Consultant: Citibank
 Management Agent: Hyder Property Management Professionals

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 135
 No. / % of Low Income Units: 134 100.00%
 Average Targeted Affordability: 60.00%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Non-Targeted
 State Ceiling Pool: New Construction
 CDLAC Project Analyst: Sarah Lester
 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:	27	20%
60% AMI:	26	19%
70% AMI*:	81	60%

*CTCAC restricted only

Unit Mix

135	1-Bedroom Units
135	Total Units

<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
26 1 Bedroom	60%	\$1,704
81 1 Bedroom	70%	\$1,988
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$10,000
Construction Costs	\$23,335,714
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,166,786
Soft Cost Contingency	\$389,456
Relocation	\$0
Architectural/Engineering	\$1,232,500
Const. Interest, Perm. Financing	\$3,977,791
Legal Fees	\$390,000
Reserves	\$451,502
Other Costs	\$3,562,694
Developer Fee	\$4,691,510
Commercial Costs	\$0
Total	\$39,207,953

Residential

Construction Cost Per Square Foot:	\$405
Per Unit Cost:	\$290,429
Estimated Hard Per Unit Cost:	\$148,375
True Cash Per Unit Cost*:	\$274,196
Bond Allocation Per Unit:	\$73,289
Bond Allocation Per Restricted Rental Unit:	\$186,680

Construction Financing

Source	Amount
Citibank: Tax-Exempt	\$9,894,017
Citibank: Taxable	\$15,234,746
Haven Capital	\$5,996,205
Deferred Costs	\$1,936,077
Deferred Developer Fee	\$2,191,510
General Partner Equity	\$2,459,119
Tax Credit Equity	\$1,496,279

Permanent Financing

Source	Amount
Citibank: Tax-Exempt	\$13,698,329
Haven Capital	\$5,996,205
Deferred Developer Fee	\$2,191,510
General Partner Equity	\$2,459,119
Tax Credit Equity	\$14,862,790
TOTAL	\$39,207,953

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$35,968,245
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$46,758,718
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,857,569
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,691,510
Federal Tax Credit Factor:	\$0.80012

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-26-487 / Florence & Holmes

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 16% 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 67% 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 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:

307.709%