

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

U.S.VETS - WLAVA Building 13, located at 400 Pershing Avenue in Los Angeles on a 1.99 acre site, requested and is being recommended for a reservation of \$981,191 in annual federal tax credits and \$14,000,000 of tax-exempt bond cap to finance the new construction & adaptive reuse of 24 units of housing, consisting of 23 restricted rental units and 1 unrestricted manager's unit. The project will have 2 studio units, 20 one-bedroom units, and 2 two-bedroom units, serving special needs tenants with rents affordable to households earning 30%-50% of area median income (AMI). The rehabilitation is expected to begin in November 2026 and be completed in November 2028. The project will be developed by U.S.VETS Housing Corporation and will be located in Senate District 24 and Assembly District 42.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-26-488

Project Name U.S.VETS - WLAVA Building 13
Site Address: 400 Pershing Avenue
Los Angeles, CA 90049
County: Los Angeles
Census Tract: 9800.17

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$981,191	\$0
Recommended:	\$981,191	\$0

Tax-Exempt Bond Allocation
Recommended: \$14,000,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: U.S.VETS Housing Corporation
Contact: Lori Allgood
Address: 800 West 6th Street, Suite 1505
Los Angeles, CA 90017
Phone: 213-610-7649
Email: lallgood@usvets.org

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

Development Team

General Partner / Principal Owner: U.S.VETS-WLAVA Building 13
 General Partner Type: Nonprofit
 Parent Company: U.S.VETS Housing Corporation
 Developer: U.S.VETS Housing Corporation
 Investor/Consultant: R4 Capital
 Management Agent: Hyder Property Management Professionals

Project Information

Construction Type: New Construction & Adaptive Reuse
 Total # Residential Buildings: 1
 Total # of Units: 24
 No. / % of Low Income Units: 23 100.00%
 Average Targeted Affordability: 39.57%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD VASH Section 8 Project-based
 Vouchers (23 Units - 96%) / US Department of Veterans
 Affairs (US VA)

Information

Housing Type: Special Needs
 % of Special Need Units: 23 units 100%
 State Ceiling Pool: New Construction
 Set Aside: Homeless Set Aside
 CDLAC Project Analyst: Andrew Papagiannis
 CTCAC Project Analyst: Jacob Paixao

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	12	52%
50% AMI:	11	48%

Unit Mix

2	SRO/Studio Units
20	1-Bedroom Units
2	2-Bedroom Units
24	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 SRO/Studio	30%	\$795
1 SRO/Studio	50%	\$1,325
10 1 Bedroom	30%	\$852
9 1 Bedroom	50%	\$1,420
1 2 Bedrooms	30%	\$1,022
1 2 Bedrooms	50%	\$1,703
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$0
Construction Costs	\$15,952,505
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,597,666
Soft Cost Contingency	\$300,000
Relocation	\$0
Architectural/Engineering	\$3,200,000
Const. Interest, Perm. Financing	\$3,442,188
Legal Fees	\$510,000
Reserves	\$129,965
Other Costs	\$1,277,190
Developer Fee	\$3,676,598
Commercial Costs	\$22,144,154
Total	\$52,230,266

Residential

Construction Cost Per Square Foot:	\$284
Per Unit Cost:	\$1,253,588
Estimated Hard Per Unit Cost:	\$586,744
True Cash Per Unit Cost*:	\$1,226,657
Bond Allocation Per Unit:	\$583,333
Bond Allocation Per Restricted Rental Unit:	\$608,696

Construction Financing

Source	Amount
Citibank: Tax-Exempt	\$14,000,000
Citibank: Taxable	\$24,588,499
T2T ¹ : Pre-Development Grant	\$7,000,000
T2T ¹ : Building Grant	\$875,000
The Home Depot Foundation	\$875,000
Deferred Costs	\$2,395,881
Tax Credit Equity	\$2,495,886

Permanent Financing

Source	Amount
Citibank: Tax-Exempt	\$3,572,514
US VA: Capital Contribution	\$22,144,154
T2T ¹ : Pre-Development Grant	\$7,000,000
T2T ¹ : Building Grant	\$875,000
The Home Depot Foundation	\$875,000
Deferred Developer Fee	\$1,122,078
Historic Tax Credit Equity	\$8,106,012
Tax Credit Equity	\$8,535,508
TOTAL	\$52,230,266

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

¹Tunnel to Towers Foundation

Determination of Credit Amount(s)

Requested Eligible Basis:	\$18,869,067
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$24,529,787
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$981,191
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,676,598
Federal Tax Credit Factor:	\$0.86991

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-26-488 / U.S.VETS - WLAVA Building 13

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
Average targeted affordability is 20 percent below 60%	20	0	20	20
Exceeding Minimum Rent Restrictions	10	10	10	10
Average targeted affordability is 53% 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	0	10	10
Service Amenities	10	10	10	10
SPECIAL NEEDS, SRO HOUSING TYPES; NON-TARGETED				
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5	5
Cost Containment	12	12	12	12
Project eligible basis is 16% 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 minutes in rush hours	6	6	6	6
Within 1/2 mile of public park or community center open to general public	3	3	3	3
Within 1 mile of public library	2	2	2	2
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5	5
Special Needs project within 1/2 mile of facility serving tenant population	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	Not LF	0	3	0
Total Points	112	102	112	112

Tie Breaker:

95.630%