

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
August 5, 2025**

Prisma, located at 1352-1358 North Orange Drive & 6914 DeLongpre Avenue in Los Angeles on a 0.35 acre site, requested and is being recommended for a reservation of \$2,766,714 in annual federal tax credits and \$14,071,207 in total state tax credits and \$29,739,488 of tax-exempt bond cap to finance the new construction of 98 units of housing, consisting of 96 restricted rental units and 2 unrestricted manager's units. The project will have 96 studio units, 2 two-bedroom units, serving special needs tenants with rents affordable to households earning 30%-50% of area median income (AMI). The construction is expected to begin in January 2026 and be completed in December 2027. The project will be developed by Affirmed Housing Group, Inc. and will be located in Senate District 24 and Assembly District 51.

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

Project Number CA-25-588

Project Name Prisma
Site Address: 1352-1358 North Orange Drive & 6914 DeLongpre Avenue
Los Angeles, CA 90028
County: Los Angeles
Census Tract: 1901.02

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,766,714	\$14,071,207
Recommended:	\$2,766,714	\$14,071,207

* The applicant made an election to sell (Certificate) all or any portion of the state credits.

Tax-Exempt Bond Allocation
Recommended: \$29,739,488

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Compass for Affordable Housing
Contact: Robin Martinez
Address: 13520 Evening Creek Drive North, Suite 560
San Diego, CA 92128
Phone: 858-381-7211
Email: robin@compassfah.org

Bond Financing Information
CDLAC Applicant/Bond Issuer: City of Los Angeles
Bond Counsel: Kutak Rock LLP
Public Sale: Credit Enhanced
Underwriter: Lument Securities
Credit Enhancement Provider: Lument Real Estate Capital LLC

Development Team

General Partners / Principal Owners: AHG Hollywood, LLC
 CFAH Housing, LLC.

General Partner Type: Joint Venture

Parent Companies: Affirmed Housing Group
 Compass for Affordable Housing

Developer: Affirmed Housing Group, Inc.

Investor/Consultant: Boston Financial Investment Management

Management Agent: Solari Enterprises

Project Information

Construction Type: New Construction

Total # Residential Buildings: 1

Total # of Units: 98

No. / % of Low Income Units: 96 100.00%

Average Targeted Affordability: 40.00%

Federal Set-Aside Elected: 40%/60%

Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (48 Units - 50%) / HOME

Information

Housing Type: Special Needs
 Seniors

% of Special Need Units: 48 units 50%

Geographic Area: City of Los Angeles

State Ceiling Pool: New Construction

CDLAC Project Analyst: Amit Sarang

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:	48	50%
50% AMI:	48	50%

Unit Mix

96	SRO/Studio Units
2	2-Bedroom Units
98	Total Units

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

Project Cost Summary at Application

Land and Acquisition	\$6,178,310
Construction Costs	\$33,894,670
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,701,990
Soft Cost Contingency	\$764,435
Relocation	\$497,000
Architectural/Engineering	\$2,257,159
Const. Interest, Perm. Financing	\$9,192,013
Legal Fees	\$290,000
Reserves	\$421,000
Other Costs	\$3,549,543
Developer Fee	\$4,900,000
Commercial Costs	\$0
Total	\$63,646,120

Residential

Construction Cost Per Square Foot:	\$777
Per Unit Cost:	\$649,450
Estimated Hard Per Unit Cost:	\$293,878
True Cash Per Unit Cost*:	\$649,450
Bond Allocation Per Unit:	\$303,464
Bond Allocation Per Restricted Rental Unit:	\$309,786

Construction Financing

Source	Amount
Citibank: Tax-Exempt	\$29,739,488
Citibank: Taxable	\$11,472,067
LAHD: AHMP ¹	\$7,341,441
Accrued Interest	\$2,447,920
Tax Credit Equity	\$12,645,204

Permanent Financing

Source	Amount
Lument: Tax-Exempt	\$13,886,345
LAHD: AHMP ¹	\$7,341,441
Accrued Interest	\$2,447,920
Developer Fee Contribution	\$1,700,000
Tax Credit Equity	\$38,270,414
TOTAL	\$63,646,120

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

¹Los Angeles Housing Department: Affordable Housing Managed Pipeline

Determination of Credit Amount(s)

Requested Eligible Basis:	\$53,206,039
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$69,167,851
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,766,714
Total State Credit:	\$14,071,207
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,900,000
Federal Tax Credit Factor:	\$0.93060
State Tax Credit Factor:	\$0.89000

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 will restrict 48 Low-Income Units (50% of the Low-Income Units) to serve Special Needs Population(s), as defined in CTCAC Regulations Section 10302(kkk).

The 48 Special Needs units do not include a utility allowance. The owner will pay all utilities on these units. The remaining 48 Senior units will use the utility allowance provided by the Housing Authority.

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 50% 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. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

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).

Point Criteria	New Const. Max. Points	Rehabilitation Max. Points	Points Scored
Preservation and Other Rehabilitation Project Priorities	0	20	0
New Construction Density and Local Incentives	10	0	10
Exceeding Minimum Income Restrictions	20	20	20
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	10
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	120

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.

Tie Breaker: 88.280%