

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

Santa Monica Christian Towers, located at 1233 6th Street in Santa Monica on a 0.52 acre site, requested and is being recommended for a reservation of \$6,541,813 in annual federal tax credits and \$80,000,000 of tax-exempt bond cap to finance the acquisition & rehabilitation of 163 units of housing, consisting of 161 restricted rental units and 2 unrestricted manager's units. The project has 107 studio units, 44 one-bedroom units, and 12 two-bedroom units, serving tenants with rents affordable to households earning 30%-80% of area median income (AMI). The construction is expected to begin in January 2026 and be completed in October 2027. The project will be developed by TSA Housing, Inc. and is located in Senate District 24 and Assembly District 51.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers and HUD Section 8 Project-based Contract.

Project Number CA-25-614

Project Name Santa Monica Christian Towers
Site Address: 1233 6th Street
Santa Monica, CA 90401
County: Los Angeles
Census Tract: 7019.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$6,541,813	\$0
Recommended:	\$6,541,813	\$0

Tax-Exempt Bond Allocation
Recommended: \$80,000,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Santa Monica Towers LP
Contact: Anthony Yannatta; Sara Dabbs
Address: 11811 San Vicente Boulevard
Los Angeles, CA 90049
Phone: 310-820-4888
Email: tsaapplications@tsahousing.com

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

Development Team

General Partners / Principal Owners:	SMT TSA Housing LLC RCC MGP LLC To-Be-Formed Co-General Partner LLC
General Partner Type:	Joint Venture
Parent Companies:	TSA Housing, Inc. Riverside Charitable Corporation (RCC) The Santa Monica Christian Towers, Inc.
Developer:	TSA Housing, Inc.
Investor/Consultant:	National Equity Fund (NEF)
Management Agent:	Thomas Safran & Associates, Inc. Falkenberg/Gilliam & Associates

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	1
Total # of Units:	163
No. / % of Low Income Units:	161 100.00%
Average Targeted Affordability:	42.42%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (126 Units - 78%) / HUD Section 8 Project-based Contract (10 Units - 6%)

Information

Housing Type:	At-Risk
Geographic Area:	Balance of Los Angeles County
State Ceiling Pool:	Preservation
CDLAC Project Analyst:	Curtis Lackey
CTCAC Project Analyst:	Michael Reichert

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	80	50%
40% AMI:	10	6%
50% AMI:	37	23%
60% AMI:	27	17%
80% AMI*:	7	4%

*CTCAC restricted only

Unit Mix

107	SRO/Studio Units
44	1-Bedroom Units
12	2-Bedroom Units
163	Total Units

Unit Type & Number	2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
4 SRO/Studio	30%	\$795
7 SRO/Studio	30%	\$795
45 SRO/Studio	30%	\$795
10 SRO/Studio	40%	\$1,060
15 SRO/Studio	50%	\$1,325
3 SRO/Studio	60%	\$1,590
18 SRO/Studio	60%	\$1,590
4 SRO/Studio	80%	\$2,120
1 SRO/Studio	80%	\$2,120
22 1 Bedroom	30%	\$852
1 1 Bedroom	50%	\$1,420
15 1 Bedroom	50%	\$1,420
3 1 Bedroom	60%	\$1,704
1 1 Bedroom	60%	\$1,704
2 1 Bedroom	80%	\$2,272
2 2 Bedrooms	30%	\$1,022
1 2 Bedrooms	50%	\$1,703
5 2 Bedrooms	50%	\$1,703
2 2 Bedrooms	60%	\$2,044
2 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$75,000,000
Construction Costs	\$0
Rehabilitation Costs	\$36,760,418
Construction Hard Cost Contingency	\$7,433,082
Soft Cost Contingency	\$840,000
Relocation	\$5,880,000
Architectural/Engineering	\$1,863,000
Const. Interest, Perm. Financing	\$7,835,750
Legal Fees	\$408,000
Reserves	\$5,670,000
Other Costs	\$1,109,750
Developer Fee	\$17,500,000
Commercial Costs	\$0
Total	\$160,300,000

Residential

Construction Cost Per Square Foot:	\$462
Per Unit Cost:	\$983,436
Estimated Hard Per Unit Cost:	\$189,992
True Cash Per Unit Cost*:	\$541,902
Bond Allocation Per Unit:	\$490,798
Bond Allocation Per Restricted Rental Unit:	\$519,481

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citibank: Tax-Exempt	\$19,530,000	Citibank	\$25,370,000
Citibank: Recycled Tax-Exempt	\$7,920,000	Seller Carryback	\$60,470,000
Citibank: Taxable	\$11,180,000	Net Operating Income	\$3,800,000
Seller Carryback	\$60,470,000	Acquired Reserves	\$1,600,000
Deferred Costs	\$5,670,000	Deferred Developer Fee	\$11,500,000
Net Operating Income	\$3,800,000	Tax Credit Equity	\$57,560,000
Acquired Reserves	\$1,600,000	TOTAL	\$160,300,000
Deferred Developer Fee	\$15,500,000		
Tax Credit Equity	\$34,630,000		

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$66,252,243
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$77,417,410
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$86,127,915
Qualified Basis (Acquisition):	\$77,417,410
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$3,445,117
Maximum Annual Federal Credit, Acquisition:	\$3,096,696
Total Maximum Annual Federal Credit:	\$6,541,813

Approved Developer Fee (in Project Cost & Eligible Basis):	\$17,500,000
Federal Tax Credit Factor:	\$0.87988

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 applicant has requested and been granted a waiver to reduce the 10% mobility feature requirement under CTCAC Regulation Section 10325(f)(7)(K) down to 5%.

CDLAC Analyst Comments: 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	20
New Construction Density and Local Incentives	10	0	0
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	0
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	0
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	110

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: 106.659%