

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

New Clark Residence, located at 306 Loma Drive in Los Angeles on a 1.14 acre site, requested and is being recommended for a reservation of \$3,054,880 in annual federal tax credits and \$9,450,378 in total state tax credits and \$31,193,000 of tax-exempt bond cap to finance the acquisition & rehabilitation of 107 units of housing, consisting of 106 restricted rental units and 1 unrestricted manager's unit. The project has 106 studio units and 1 two-bedroom unit, serving special needs tenants with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in December 2025 and be completed in October 2027. The project will be developed by Abode Communities and is located in Senate District 26 and Assembly District 54.

New Clark Residence is a resyndication of an existing Low Income Housing Tax Credit (LIHTC) project, (CA-93-051). See Resyndication and Resyndication Transfer Event below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the California Housing Rehabilitation Program (CHRP) and Portfolio Reinvestment Program (PRP) programs of HCD.

Project Number CA-25-628

Project Name New Clark Residence
Site Address: 306 Loma Drive
Los Angeles, CA 90017
County: Los Angeles
Census Tract: 2091.04

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$3,054,880	\$9,450,378
Recommended:	\$3,054,880	\$9,450,378

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

Tax-Exempt Bond Allocation
Recommended: \$31,193,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: New Clark Residence, L.P.
Applicant for State Credits: Abode Communities
Contact: Sara Tsay
Address: 1149 South Hill Street, Suite 700
Los Angeles, CA 90015
Phone: (213)225-2725
Email: stsay@abodecommunities.org

Bond Financing Information
CDLAC Applicant/Bond Issuer: Housing Authority of the City of Los Angeles
Bond Counsel: Kutak Rock LLP
Private Placement Purchaser: Citibank, N.A.

Development Team

General Partner / Principal Owner: New Clark Residence GP, LLC
 General Partner Type: Nonprofit
 Parent Company: Abode Communities
 Developer: Abode Communities
 Investor/Consultant: California Housing Partnership Corporation
 Management Agent: Abode Communities

Project Information

Construction Type: Acquisition & Rehabilitation
 Total # Residential Buildings: 1
 Total # of Units: 107
 No. / % of Low Income Units: 106 100.00%
 Average Targeted Affordability: 39.91%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (53 Units - 50%)

Information

Housing Type: Special Needs
 SRO
 % of Special Need Units: 53 units 50%
 Geographic Area: City of Los Angeles
 State Ceiling Pool: Preservation
 CDLAC Project Analyst: Brandon Medina
 CTCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	31	29%
40% AMI:	60	57%
60% AMI:	15	14%

Unit Mix

106	SRO/Studio Units
1	2-Bedroom Units
107	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
19 SRO/Studio	30%	\$526
12 SRO/Studio	30%	\$526
33 SRO/Studio	40%	\$525
27 SRO/Studio	40%	\$599
1 SRO/Studio	60%	\$489
14 SRO/Studio	60%	\$489
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$25,982,304
Construction Costs	\$0
Rehabilitation Costs	\$41,054,553
Construction Hard Cost Contingency	\$6,158,183
Soft Cost Contingency	\$637,934
Relocation	\$1,895,358
Architectural/Engineering	\$2,117,985
Const. Interest, Perm. Financing	\$6,776,198
Legal Fees	\$225,000
Reserves	\$1,156,459
Other Costs	\$1,068,142
Developer Fee	\$2,029,500
Commercial Costs	\$0
Total	\$89,101,616

Residential

Construction Cost Per Square Foot:	\$771
Per Unit Cost:	\$832,725
Estimated Hard Per Unit Cost:	\$330,129
True Cash Per Unit Cost*:	\$832,725
Bond Allocation Per Unit:	\$291,523
Bond Allocation Per Restricted Rental Unit:	\$294,274

Construction Financing

Source	Amount
Citibank: Tax-Exempt	\$31,193,000
Citibank: Taxable	\$24,509,937
HCD: CHRP	\$7,436,502
LAHD: CRA ¹ 003	\$1,465,139
LAHD: CRA ¹ 004	\$6,758,355
LAHD: CRA ¹ 005	\$10,222,227
Deferred Costs	\$2,657,260
Tax Credit Equity	\$4,859,196

Permanent Financing

Source	Amount
Citibank: Tax-Exempt	\$4,605,000
HCD: PRP	\$25,000,000
HCD: CHRP	\$7,436,502
LAHD: CRA ¹ 003	\$1,465,139
LAHD: CRA ¹ 004	\$6,758,355
LAHD: CRA ¹ 005	\$10,222,227
Tax Credit Equity	\$33,614,393
TOTAL	\$89,101,616

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

¹Los Angeles Housing Department: Community Redevelopment Agency

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$58,747,692
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$76,372,000
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,054,880
Total State Credit:	\$9,450,378
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,029,500
Federal Tax Credit Factor:	\$0.85287
State Tax Credit Factor:	\$0.80000

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

Staff noted a per unit development cost of \$832,725. The applicant noted that the per unit cost is attributed to existing outstanding residual debt, the requirement to preserve and renovate the historic qualities of the existing building, and relocation costs.

CDLAC Analyst Comments: None.

Resyndication and Resyndication Transfer Event

Prior to closing, the applicant or its assignee shall obtain CTCAC's consent to assign and assume the existing Regulatory Agreement (CA-93-051). To be eligible for a new award of tax credits, the owner must provide documentation with the Form 8609 request (the placed in service submission) that the acquisition date and the placed in service date both occurred after the existing federal 15 year compliance period was completed. For resyndications that were originally rehabilitation and acquisition, the resyndication acquisition date cannot occur before the last rehabilitation credit year of the original credit period.

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

The newly resyndicated project shall continue to meet the rents and income targeting levels in the existing regulatory agreement(s) and any deeper targeting levels in the new regulatory agreement(s) for the duration of the new regulatory agreement(s).

Existing households determined to be income-qualified for purposes of IRC §42 credit during the 15-year compliance period are concurrently income-qualified households for purposes of the extended use agreement. As a result, any household determined to be income qualified at the time of move-in under the existing regulatory agreement (CA-93-051) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on CTCAC staff's review of the commitment in the application. The services documented in the placed in service package will be reviewed by CTCAC staff for compliance with this requirement at the time of the placed in service submission.

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: 117.751%