

# CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

## Project Staff Report

### 2026 Second Round

October 6, 2026

Watts Dream Homes, located at 37 sites (see below) in Los Angeles, requested and is being recommended for a reservation of \$1,837,546 in annual federal tax credits to finance the acquisition and rehabilitation of 37 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by GWDC at VH LLC and is located in Senate District 35 and Assembly District 65.

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.

#### Project Number

CA-26-069

#### Project Name

Watts Dream Homes

##### Site Addresses:

##### Site Group #1

220, 222, 224 East 127th Street  
Los Angeles, CA 90061  
County: Los Angeles  
Census Tract: 5409.01

##### Site Group #2

12403, 12410, 12411, 12416,  
12417, 12420, 12421, 12424,  
12425 South Anzac Avenue  
1936, 1942, 2026, 2028, 2030,  
2030 1/2, 2027, 2029, 2031, 2031  
1/2, 2146, 2148, 2150, 2152, 2154,  
2156 East 124th Street  
Compton, CA 90222  
County: Los Angeles  
Census Tract: 5414.01

##### Site Group #3

2013, 2021 East 92nd Street  
Los Angeles, CA 90047  
County: Los Angeles  
Census Tract: 5354.00

##### Site Group #4

8907 Elm Street  
Los Angeles, CA 90002  
County: Los Angeles  
Census Tract: 5354.00

##### Site Group #5

1626, 1628 East 89th Street  
Los Angeles, CA 90002  
County: Los Angeles  
Census Tract: 5352.00

##### Site Group #6

1763 East 85th Street  
Los Angeles, CA 90001  
County: Los Angeles  
Census Tract: 5353.00

##### Site Group #7

8322, 8324 Grape Street  
Los Angeles, CA 90001  
County: Los Angeles  
Census Tract: 5353.00

##### Site Group #8

8114, 8116 Morton Avenue  
Los Angeles, CA 90001  
County: Los Angeles  
Census Tract: 5353.00

| <b>Tax Credit Amounts</b> | <b>Federal/Annual</b> | <b>State/Total</b> |
|---------------------------|-----------------------|--------------------|
| Requested:                | \$1,837,546           | \$0                |
| Recommended:              | \$1,837,546           | \$0                |

### **Applicant Information**

|                                    |                                                     |
|------------------------------------|-----------------------------------------------------|
| Applicant:                         | Watts Dream Homes, L.P.                             |
| Contact:                           | Naima Greffon                                       |
| Address:                           | 10950 South Central Avenue<br>Los Angeles, CA 90059 |
| Phone:                             | 323-563-5654                                        |
| Email:                             | ngreffon@wlcac.org                                  |
| General Partner / Principal Owner: | WLCAC Dream Homes, L.L.C.                           |
| General Partner Type:              | Nonprofit                                           |
| Parent Company:                    | Watts Labor Community Action Committee              |
| Developer:                         | GWDC at VH LLC                                      |
| Investor/Consultant:               | R4                                                  |
| Management Agents:                 | Barker Management Inc.                              |

### **Project Information**

|                                |                                                        |
|--------------------------------|--------------------------------------------------------|
| Construction Type:             | Acquisition and Rehabilitation                         |
| Total # Residential Buildings: | 37                                                     |
| Total # of Units:              | 37                                                     |
| No. & % of Tax Credit Units:   | 37 100%                                                |
| Federal Set-Aside Elected:     | 40%/60%                                                |
| Federal Subsidy:               | HUD Section 8 Project-based Contract (37 Units - 100%) |

### **Information**

|                        |                               |
|------------------------|-------------------------------|
| Set-Aside:             | N/A                           |
| Housing Type:          | At-Risk                       |
| Geographic Area:       | Balance of Los Angeles County |
| CTCAC Project Analyst: | Ruben Barcelo                 |

### **55-Year Use / Affordability**

| <b>Aggregate<br/>Targeting</b> | <b>Number of<br/>Units</b> | <b>Percent of<br/>Required<br/>Affordable Units</b> |
|--------------------------------|----------------------------|-----------------------------------------------------|
| At or Below 30% AMI:           | 4                          | 10%                                                 |
| At or Below 40% AMI:           | 6                          | 15%                                                 |
| At or Below 50% AMI:           | 15                         | 40%                                                 |
| At or Below 60% AMI:           | 12                         | 30%                                                 |

### **Unit Mix**

|    |                 |
|----|-----------------|
| 1  | 2-Bedroom Units |
| 29 | 3-Bedroom Units |
| 7  | 4-Bedroom Units |
| 37 | Total Units     |

| <b>Unit Type &amp; Number</b> | <b>2026 Rents Targeted % of<br/>Area Median Income</b> | <b>Proposed Rent<br/>(including utilities)</b> |
|-------------------------------|--------------------------------------------------------|------------------------------------------------|
| 3 3 Bedrooms                  | 30%                                                    | \$1,299                                        |
| 1 4 Bedrooms                  | 30%                                                    | \$1,449                                        |
| 3 3 Bedrooms                  | 40%                                                    | \$1,732                                        |
| 1 3 Bedrooms                  | 40%                                                    | \$1,732                                        |
| 1 4 Bedrooms                  | 40%                                                    | \$1,932                                        |
| 1 4 Bedrooms                  | 40%                                                    | \$1,932                                        |
| 1 2 Bedrooms                  | 50%                                                    | \$1,659                                        |
| 1 3 Bedrooms                  | 50%                                                    | \$1,789                                        |
| 10 3 Bedrooms                 | 50%                                                    | \$1,789                                        |
| 3 4 Bedrooms                  | 50%                                                    | \$1,884                                        |
| 11 3 Bedrooms                 | 60%                                                    | \$1,789                                        |
| 1 4 Bedrooms                  | 60%                                                    | \$1,884                                        |

#### **Project Cost Summary at Application**

|                                  |                     |
|----------------------------------|---------------------|
| Land and Acquisition             | \$18,228,081        |
| Construction Costs               | \$0                 |
| Rehabilitation Costs             | \$7,129,423         |
| Construction Contingency         | \$1,171,387         |
| Relocation                       | \$435,985           |
| Architectural/Engineering        | \$859,877           |
| Const. Interest, Perm. Financing | \$1,705,600         |
| Legal Fees                       | \$435,000           |
| Reserves                         | \$390,419           |
| Other Costs                      | \$456,356           |
| Developer Fee                    | \$2,172,007         |
| Commercial Costs                 | \$0                 |
| <b>Total</b>                     | <b>\$32,984,135</b> |

#### **Residential**

|                                    |           |
|------------------------------------|-----------|
| Construction Cost Per Square Foot: | \$131     |
| Per Unit Cost:                     | \$891,463 |
| True Cash Per Unit Cost*:          | \$448,312 |

#### **Construction Financing**

| Source                 | Amount       |
|------------------------|--------------|
| Citibank               | \$10,550,000 |
| Seller Carryback       | \$18,179,980 |
| Deferred Costs         | \$1,004,119  |
| Deferred Developer Fee | \$1,706,652  |
| Tax Credit Equity      | \$1,543,384  |

#### **Permanent Financing**

| Source               | Amount              |
|----------------------|---------------------|
| Citibank             | \$540,000           |
| Seller Carryback     | \$16,396,592        |
| Net Operating income | \$613,700           |
| Tax Credit Equity    | \$15,433,843        |
| <b>TOTAL</b>         | <b>\$32,984,135</b> |

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

**Determination of Credit Amount(s)**

|                                                            |              |
|------------------------------------------------------------|--------------|
| Requested Eligible Basis (Rehabilitation):                 | \$9,467,161  |
| 130% High Cost Adjustment:                                 | Yes          |
| Requested Eligible Basis (Acquisition):                    | \$11,655,000 |
| Applicable Fraction:                                       | 100.00%      |
| Qualified Basis (Rehabilitation):                          | \$15,237,202 |
| Applicable Rate:                                           | 9.00%        |
| Qualified Basis (Acquisition):                             | \$11,655,000 |
| Applicable Rate:                                           | 4.00%        |
| Maximum Annual Federal Credit, Rehabilitation:             | \$1,371,346  |
| Maximum Annual Federal Credit, Acquisition:                | \$466,200    |
| Total Maximum Annual Federal Credit:                       | \$1,837,546  |
| Approved Developer Fee (in Project Cost & Eligible Basis): | \$2,172,007  |
| Federal Tax Credit Factor:                                 | \$0.83992    |

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**Tie-Breaker Information**

|                   |                |
|-------------------|----------------|
| First:            | <b>At-Risk</b> |
| Self-Score Final: | <b>14.365%</b> |
| CTCAC Final:      | <b>14.365%</b> |

**Significant Information / Additional Conditions**

This project involves the substantial rehabilitation of 37 scattered-site buildings originally constructed in the 1950s in the cities of Compton and Los Angeles.

A waiver to CTCAC Regulation Section 10325(f)(7)(J) has been granted. Tenants of Watts Dream Homes will have equivalent access to management services at the Watts Labor Community Action Committee (WLCAC) Main Office and the office at Ramona Estates (CA-13-887), which is no more than 2.25 miles away from each of the project's 37 scattered sites. Additionally, a mobile maintenance technician is dedicated to these 37 units.

**Resyndication and Resyndication Transfer Event:** None.

**Local Reviewing Agency**

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

**Standard Conditions**

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i) at project completion.

| <b>Points System</b>                                                         | <b>Max.<br/>Possible</b> | <b>Requested<br/>Points</b> | <b>Points<br/>Awarded</b> |
|------------------------------------------------------------------------------|--------------------------|-----------------------------|---------------------------|
| <b>Owner / Management Characteristics</b>                                    | <b>10</b>                | <b>10</b>                   | <b>10</b>                 |
| General Partner Experience                                                   | 7                        | 7                           | 7                         |
| Management Experience                                                        | 3                        | 3                           | 3                         |
| <b>Housing Needs</b>                                                         | <b>10</b>                | <b>10</b>                   | <b>10</b>                 |
| <b>Site Amenities</b>                                                        | <b>15</b>                | <b>15</b>                   | <b>15</b>                 |
| <b>Site Group #1</b>                                                         |                          |                             |                           |
| Within 1/3 mile of transit, service every 30 minutes in rush hours           | 6                        | 6                           | 6                         |
| Within 1/2 mile of public park or community center open to general public    | 3                        | 3                           | 3                         |
| Within 1/2 mile of public library                                            | 3                        | 3                           | 3                         |
| Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf      | 4                        | 4                           | 4                         |
| <b>Site Group #2</b>                                                         |                          |                             |                           |
| Within 1/2 mile of transit station or public bus stop                        | 3                        | 3                           | 3                         |
| Within 1/2 mile of public park or community center open to general public    | 3                        | 3                           | 3                         |
| Within 1/2 mile of public library                                            | 3                        | 3                           | 3                         |
| Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf    | 5                        | 5                           | 5                         |
| Within 1 mile of medical clinic or hospital                                  | 2                        | 2                           | 2                         |
| <b>Site Group #3</b>                                                         |                          |                             |                           |
| Within 1/3 mile of transit, service every 30 minutes in rush hours           | 6                        | 6                           | 6                         |
| Within 3/4 mile of public park or community center open to general public    | 2                        | 2                           | 2                         |
| Within 1/2 mile of public library                                            | 3                        | 3                           | 3                         |
| Within 1 1/2 miles of a full-scale grocery/supermarket of at least 25,000 sf | 3                        | 3                           | 3                         |
| <b>Site Group #4</b>                                                         |                          |                             |                           |
| Within 1/3 mile of transit, service every 30 minutes in rush hours           | 6                        | 6                           | 6                         |
| Within 1/2 mile of public park or community center open to general public    | 3                        | 3                           | 3                         |
| Within 1/2 mile of public library                                            | 3                        | 3                           | 3                         |
| Within 1 1/2 miles of a full-scale grocery/supermarket of at least 25,000 sf | 3                        | 3                           | 3                         |
| <b>Site Group #5</b>                                                         |                          |                             |                           |
| Within 1/3 mile of transit, service every 30 minutes in rush hours           | 6                        | 6                           | 6                         |
| Within 1/2 mile of public park or community center open to general public    | 3                        | 3                           | 3                         |
| Within 1 mile of public library                                              | 2                        | 2                           | 2                         |
| Within 1 1/2 miles of a full-scale grocery/supermarket of at least 25,000 sf | 3                        | 3                           | 3                         |
| <b>Site Group #6</b>                                                         |                          |                             |                           |
| Within 1/3 mile of transit, service every 30 minutes in rush hours           | 6                        | 6                           | 6                         |
| Within 1/2 mile of public park or community center open to general public    | 3                        | 3                           | 3                         |
| Within 1/2 mile of public library                                            | 3                        | 3                           | 3                         |
| Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf      | 4                        | 4                           | 4                         |
| <b>Site Group #7</b>                                                         |                          |                             |                           |
| Within 1/3 mile of transit, service every 30 minutes in rush hours           | 6                        | 6                           | 6                         |
| Within 1/2 mile of public park or community center open to general public    | 3                        | 3                           | 3                         |
| Within 1/2 mile of school grounds/facilities open to public with JUA         | 3                        | 3                           | 3                         |
| Within 1/2 mile of public library                                            | 3                        | 3                           | 3                         |
| Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf      | 4                        | 4                           | 4                         |
| <b>Site Group #8</b>                                                         |                          |                             |                           |
| Within 1/3 mile of transit, service every 30 minutes in rush hours           | 6                        | 6                           | 6                         |
| Within 1/2 mile of public park or community center open to general public    | 3                        | 3                           | 3                         |
| Within 1/2 mile of public library                                            | 3                        | 3                           | 3                         |
| Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf      | 4                        | 4                           | 4                         |
|                                                                              |                          |                             |                           |

|                                                                        |            |            |            |
|------------------------------------------------------------------------|------------|------------|------------|
| <b>Service Amenities</b>                                               | <b>10</b>  | <b>10</b>  | <b>5</b>   |
| <b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>                     |            |            |            |
| Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms            | 5          | 5          | 5          |
| Health & wellness services and programs, minimum 100 hrs per 100 bdrms | 5          | 5          | 0          |
| <b>Lowest Income</b>                                                   | <b>52</b>  | <b>52</b>  | <b>52</b>  |
| Basic Targeting                                                        | 50         | 50         | 50         |
| Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less  | 2          | 2          | 2          |
| <b>Readiness to Proceed</b>                                            | <b>10</b>  | <b>10</b>  | <b>10</b>  |
| <b>Miscellaneous Federal and State Policies</b>                        | <b>2</b>   | <b>2</b>   | <b>2</b>   |
| State Credit Substitution                                              | 2          | 2          | 2          |
| <b>Total Points</b>                                                    | <b>109</b> | <b>109</b> | <b>104</b> |

**Please Note: If more than the maximum Site Amenity points were requested, not all amenities may**

**DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.**