

Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
Luz C. Santiago, Assistant General Manager

City of Los Angeles



Karen Bass, Mayor

LOS ANGELES HOUSING DEPARTMENT
1200 West 7th Street, 9th Floor
Los Angeles, CA 90017
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July 24, 2023

Council File: 16-0600-S145
Council Districts: 1
Contact Persons: Laura Chen: (213) 928-9029
Jackie Cornejo (213) 928-9050

Honorable Members of the City Council
City of Los Angeles
c/o City Clerk, City Hall
200 N. Spring Street
Los Angeles, CA 90012

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT REQUEST FOR AUTHORITY TO EXECUTE A DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE DEVELOPMENT OF AFFORDABLE HOUSING ON THE CITY-OWNED PROPERTY AT 216-224 S. AVENUE 24; AND VARIOUS OTHER ACTIONS.

SUMMARY

The General Manager of the Los Angeles Housing Department (LAHD) respectfully requests authority to take recommended actions related to the disposition and development of housing assets owned by the City of Los Angeles to maximize the use of public land for the development of affordable housing.

The Women Organizing Resources Knowledge and Services (WORKS) and GTM Holdings (jointly, the Grace Villas Developers) were selected through a competitive Request for Proposals (RFP) process to develop five Los Angeles Department of Transportation (LADOT) parcels. The five sites were designated as Affordable Housing Opportunity Sites (AHOS) on June 3, 2016 (C.F. No. 16-0600-S145). LAHD executed an Exclusive Negotiation Agreement (ENA) for all five sites on March 8, 2018. Although the Grace Villas Developers were selected for all five sites, only one site, located at 216-224 S. Avenue 24 (Grace Villas project), is currently moving forward. The remaining four sites are anticipated to move forward at a later date. LAHD requests authority to negotiate and execute a Disposition and Development Agreement (DDA) with the Grace Villas Developers for the site located at 216-224 S. Avenue 24. The proposed project, Grace Villas, will include 47 units for low and very low-income families. The project will also require a transfer of jurisdiction from LADOT to LAHD.

Currently, LAHD is also requesting extensions of the existing ENAs for the Grace Villas project, the four remaining Lincoln Heights sites, and for another site located at 1211 E. 43rd Street. These sites were delayed for various reasons, as further discussed in this report.

RECOMMENDATIONS

- I. That the City Council, subject to the approval of the Mayor:
 - A. AUTHORIZE the General Manager of LAHD, or designee, to negotiate and execute a DDA and a Ground Lease, and effectuate necessary related documents with the Grace Villas Developers or the Grace Villas Developers to-be-formed Limited Partnership for the property located at 216-224 S. Avenue 24 (Grace Villas site), subject to the conditions contained in the Amended Key Terms and Conditions (Attachment A), subject to approval of the City Attorney as to form;
 - B. DECLARE, based on the findings contained herein, that the City-owned property pertaining to the Grace Villas project, is “exempt surplus land” for the purpose of the Surplus Land Act (SLA) under Government Code Section 54221(f)(1)(F)(i) and direct LAHD to take any other necessary actions to ensure compliance with the requirements of the SLA;
 - C. AUTHORIZE the General Manager of Los Angeles Department of Transportation, or designee, to effectuate a non-financial transfer of jurisdiction and control of the City-owned site located at 216-224 S. Avenue 24 (APN 5204-005-901) to LAHD for the development of affordable and supportive housing, subject to City Attorney approval as to form;
 - D. AUTHORIZE the General Manager of LAHD, or designee, to reinstate and extend the term of the ENA for an additional one-year term, and prepare and execute any documents necessary to facilitate or implement such extensions, subject to review and approval as to form by the City Attorney, for the sites listed in Table 2.

BACKGROUND

In response to the City’s affordable housing crisis and to meet the City’s objective of creating new affordable housing, LAHD created the Land Development program to develop publicly-owned land into affordable housing. This program oversees the disposition of properties transferred to LAHD from the former Community Redevelopment Agency of Los Angeles, the Los Angeles Department of Transportation (LADOT), as well as surplus land identified by the Office of the City Administrative Officer (CAO) as part of the Affordable Housing Opportunity Sites (AHOS) program, and leverages such properties for the creation of affordable or supportive housing across the City.

LAHD recommends the disposition and development of one site owned by the City of Los Angeles to maximize the use of public land for the development of affordable housing.

TABLE 1: LAND DEVELOPMENT RECOMMENDATIONS					
City-Owned Property Address	Council District	Selected Lead Developer	Land Transfer Type	Affordable Units	Total Units
216-224 S. Avenue 24 (APN 5204-005-901)	1	WORKS and GTM Holdings	Ground Lease	47	48

Public Land Development Process

Developers are normally selected through a Request for Proposals (RFP) or Request for Qualifications (RFQ). The RFP/Q outlines the requirements and scoring rubric to select the proposal that will maximize the use of the publicly-owned land for the development of affordable housing. Once selected, the developers enter into an Exclusive Negotiation Agreement (ENA) with the City, through LAHD. This allows the developer to begin to consult with the respective Council Office, engage in community outreach to stakeholders, apply for entitlements and participate in the financial underwriting process with City selected consultants and negotiate key business terms and conditions. LAHD moves next to request authority to execute a Disposition and Development Agreement (DDA) based on the approved terms and conditions. The executed DDA allows the developer to apply and secure additional financing in order to produce the proposed affordable housing development.

Grace Villas Project

On June 25, 2016, the CAO released an RFQ/P related to the disposition and development of five sites owned by the LADOT, to maximize the use of public land for the development of affordable housing with a submission deadline of September 15, 2016. LAHD recommended the selection of the Grace Villas Developers after reviewing and scoring each proposal. On December 13, 2017, the City Council and Mayor approved this selection and authorized LAHD to negotiate and execute an ENA with the Grace Villas Developers team (C.F. No. 16-0600-S145). Since then, LAHD in coordination with its consultants negotiated key business terms and conditions for the affordable housing development. These key terms and conditions were approved by LAHD and agreed to by the development team. The project will provide 47 affordable housing units, of which, 22 units will be restricted to special needs households. On December 21, 2022, the Grace Villas Developers were approved by the Director of Planning for a land use entitlement to allow the site to be developed with the proposed 48-unit project through the Transit Oriented Communities Program (DIR-2022-7634-TOC-CDO-PHP-HCA). On April 25, 2023, the City Council and Mayor approved the admittance of the Grace Villas project into the Affordable Housing Managed Pipeline (C.F. No. 22-0876-S1). On June 30, 2023, the City Council and Mayor approved a funding award of \$5,706,050 for this project (C.F. No. 22-0876-S2). The project sponsor recently submitted an application for funding from the Multifamily Housing Program, which is administered by the State of California Housing and Community Department. The project has made significant progress towards construction and an extension of the ENA is important for completing the project. While the Grace Villas Developers have moved forward with developing one of the five sites at this time, the remaining four sites have additional due diligence items related to the LADOT existing parking spaces that are in the process of further evaluation.

Land Disposition

Once full financing is secured, LAHD will make final arrangements for the disposition of the property in accordance with the Housing Development Land Conveyance Policy approved by the City Council on November 8, 2017 (C.F. No. 17-0862). In this case, the property will be transferred to the Grace Villas Developers through a 55-year ground lease with an option for four 11-year extensions, based on the attached key terms. The terms describe a residential ground lease payment of \$1 per year for the full term of the lease. It should be noted that a below-market ground lease payment is common practice for publicly-owned land being used for a community benefits like affordable housing. Additionally, approximately three months before construction is set to begin, LAHD and LADOT will effectuate a non-financial transfer of jurisdiction of the parcel from LADOT to LAHD.

Surplus Land Act

The Surplus Land Act (SLA) was amended by the California State Legislature by the adoption of AB 1486, effective on January 1, 2020. Under the SLA before commencing the property disposition process, governmental entities must declare the property as either “surplus land” or “exempt surplus land”. In this case, the project qualifies as “exempt surplus land” under Government Code Section 54221(f)(1)(F)(i) which states:

- The property must be made available pursuant to an open, competitive bid process with (1) all Housing Sponsors that have notified the California Department of Housing and Community Development (HCD) of their interest in surplus land and (2) local public entities where the property is located, being invited to participate in the process.
- 100% of all residential units are restricted as follows:
 - At least 75% of the units must be restricted to lower-income households (80% AMI), as defined in Health & Safety Code Section 50079.5.
 - Any remaining units must be restricted to moderate-income (120% AMI) households
- Rents shall be restricted pursuant to California Health & Safety Code Section 50053.
- The affordability requirements must be for a minimum period of 55 years.
- Ancillary commercial ground floor uses are permitted.

As proposed, the Project currently satisfies the SLA as follows:

- Per HCD’s Guidelines, if entities were invited to participate in the competitive bid process prior to the existence of HCD’s expression-of-interest list, then noticing will be considered sufficient if reasonable efforts were made to include known interested parties. The first requirement is met because the RFQ/P released by the City on September 15, 2016, was done pursuant to an open-bid process made available to all parties interested in affordable housing development opportunities and local public entities via the City’s BAVN website/database.

- The second requirement is met because 100% of the units, except for the manager’s unit, are restricted to extremely low or very low-income households. All of the proposed units are restricted to more affordable levels than what is required under the SLA. In addition, rents will be restricted in accordance with California Health & Safety Code Section 50053. A summary table of the affordability levels is included below:

Affordability Matrix	Minimum Required	% of Units Required	Proposed Units
Extremely Low (30% AMI)			22
Very Low (50% AMI)			25
Lower Income (80% AMI)	36	75%	
Moderate Income (120% AMI)	11	25%	
Manager’s Unit	1		1
TOTAL	48		48

As shown in the table above, the proposed Project currently meets the conditions set forth under Government Code Section 54221(f)(1)(F)(i). The City will continue to work with the Grace Villas Developers to ensure that the final terms for the Project continue to be in compliance with or exceed these requirements before any conveyance of the property may occur.

Environmental Clearance Process

The City of Los Angeles Department of City Planning (DCP) is the lead agency for these projects for the California Environmental Quality Act of 1970 (CEQA). For the site located at 216-224 S. Avenue 24, the Grace Villas Developer obtained a CEQA Notice of Exemption on January 9, 2023.

VARIOUS OTHER ACTIONS: ENA EXTENSIONS

LAHD has historically entered into an ENA with the Council’s approval for a term of 180 or 360 days. Due to the COVID-19 Pandemic, on March 21, 2020, former Mayor Eric Garcetti issued a public order under the City of Los Angeles Emergency Authority to toll, or pause deadlines that are prescribed in the Los Angeles Municipal Code (LAMC). Therefore, all LAHD ENA’s were subsequently paused from expiring until further direction regarding the end of the local State of Emergency period. On March 1, 2023, the COVID-related local State of Emergency declaration ended; consequently, the tolling (or suspension) of all LAHD financing and predevelopment deadlines were also lifted.

The lifting of the tolling order allowed for an extension of financing agreements by the “tolling period”. The “Tolling Period” is defined as the number of days between the date that the Mayor’s Tolling Order became effective (March 21, 2020) and the date the order was lifted (February 28, 2023), inclusive of the end date. Even with the extensions using the “tolling period”, project sponsors will still need additional time to complete the due diligence for their projects. Therefore, LAHD is requesting an additional one-year ENA Extension for the following sites listed below:

TABLE 2: LAND DEVELOPMENT SITES

Project (Address, APN)	ENA Expiration date	LAHD ENA Extension Exercised?	Expiration date per Tolling Order	New Expiration date
Lincoln Heights (2332-2336 N. Workman St., 5204-016-901; 151-164 S. Avenue 24 St., 5204- 005-901; 216-224 S. Avenue 24, 5204-005- 901; 2331-2337 N. Workman St., 5204-011-903; 2416-2422 N. Workman St. 5204- 015-901)	August 24, 2020	Yes	August 4, 2023	August 4, 2024
43 rd St. REO (1211 E 43 rd St., 5115-031-900)	June 21, 2019	Yes, plus two additional amendments	March 9, 2024	March 9, 2025

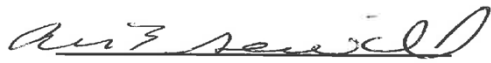
43rd St. REO

LAHD has a large number of Real Estate Owned (REO) properties that are difficult to sell or lease because they are improved with structures and often have existing occupants. As a result, it is also difficult to find developers willing to take on these sites. This particular project in with LAHD entered into an ENA with Coalition for Responsible Community Development consists of rehabilitating five existing units, but it has proven difficult to find funding. The project is too small to be competitive to secure funding through the standard funding mechanisms available to affordable housing developers. LAHD staff are working diligently with the developer to secure funding and to help the project move forward. LAHD is seeking an ENA extension of March 9, 2025 for this site.

FISCAL IMPACT

There is no impact on the General Fund. The recommendations in this report will authorize LAHD to enter into a DDA that will allow for the development of 48 new units, of which 47 units will be designated as affordable housing units.

Approved By:

A handwritten signature in black ink, appearing to read "Ann Sewill". The signature is written in a cursive style with a horizontal line underneath.

ANN SEWILL
General Manager
Los Angeles Housing Department

ATTACHMENT:

Key Terms

**216-224 S. Avenue 24
Disposition and Development Agreement
Key Terms and Conditions**

1. Parties to the Agreement:

The Disposition and Development Agreement (“DDA”) for the 216-224 S. Avenue 24 project shall be entered by and between the City of Los Angeles, a municipal corporation (“City”), and the Grace Villas LP (“Lessee”), a California limited partnership, which is a partnership of special purpose affiliates of Women Organizing Resources Knowledge and Services, Inc. (“WORKS”) and GTM Holdings, LLC who will collectively be the “Developer.”

2. City Site Description:

Land currently owned by the City:

	Address	APN	Parcel Size (sf)	Legal Description
City Parcel	216-224 S. Avenue 24	5204-005-901	19,797	Attachment A
Total Site			19,797	

3. City Site History:

The Site, located in Council District 1, is City-owned parking lot that includes 59 parking spaces and is operated by the City’s Department of Transportation (“DOT”). Per the Memorandum of Understanding (“MOU”) executed on November 5, 2019 with DOT, it has been determined that due to the low utilization of the parking lot, the existing parking spaces do not need to be replaced.

In response to a Request for Qualifications/Proposals (“RFQ/P”) issued by the City of Los Angeles Office of City Administrative Office (“CAO”) on June 25, 2016 for five DOT sites, the Developer submitted qualifications for a development of all five DOT sites. The qualifications submitted by the Developer best supported the type of affordable housing development conceptually envisioned by the City of Los Angeles. On December 13, 2017 the Los Angeles City Council approved (Council File: 16-0600-S145) the selection of the Developer for the purpose of creating a full development plan for the project and negotiating terms of a DDA and/or ground lease under an Exclusive Negotiating Agreement (“ENA”).

In February 2018, the Developer entered into an ENA with the City, based on Council Action in December 2017. The ENA was to expire September 2021; however, in 2020, the Mayor signed an executive order that tolled all ENA deadlines for the duration of the COVID Emergency Period. The ENA included five DOT parking lots, totaling 261 existing parking spaces that were to be replaced as part of housing developments. The largest of the five sites (C-3) is half owned by Department of Parks and Recreation and is not available for housing development. The initial project was determined to be infeasible due to the costs associated with replacement parking. Therefore, the current proposal has reduced the scope to one lot (known as C-2 site) to be developed at this time. The second lot may potentially be developed at 2416-224 N. Workman, which requires replacement parking spaces due to moderate utilization of the parking lot. The second proposed lot will potentially move forward at a later time once DOT has finalized the number of replacement parking spaces and the Developer identifies potential funding sources.

The property is currently zoned PF-1-CDO, which allows for pursuing the development of a joint public and private development that will have a mix of 100% affordable and special needs units. The expected entitlement path for the site are a Transit-Oriented Communities program approval, utilizing Tier 4 additional incentives, and Community Design Overlay Project Permit Compliance. The Developer has secured a CEQA consultant who has begun the Class 32 Exemption CEQA document preparation process.

4. Development Plan Summary:

The Development Plan shall be implemented and completed approximately as described below, with

potential changes as design and financing are completed, subject to receipt by the Developer of approval by the City of all discretionary land use applications, and the receipt by Developer of the necessary enforceable financing commitments:

a. Project Summary:

The Project will include 48 family units in a six story building over a subterranean parking garage. The units will include one-, two- and three-bedroom units, some of which will be restricted to 12 developmentally disabled households (“**DD Households**”), and 10 domestic violence survivor households (“**DV Survivor Households**”) as currently proposed. The Project will also include 44 parking spaces, a community room, service office space, bike parking, computer room, and a landscaped courtyard with activity and seating areas.

b. Project Site Size:

The gross site area is estimated at 19,379 square feet of land area, according to the land survey (“**Attachment B**”).

c. Gross Building Area:

At the current stage of design, the Project gross building area (“**GBA**”) is 50,889 square feet, including 39,232 square feet of net residential living area, 3,328 square feet of community-serving space (community room, supportive office including restroom, laundry, etc.), and 8,329 square feet of circulation/utility rooms. Square footages may change as design is finalized.

d. Unit Mix:

The project will have 21 one-bedroom units, 15 two-bedroom units and 12 three-bedroom units. There will be one two-bedroom unit for the on-site resident manager

e. Parking:

The project as currently proposed will have 44 residential parking spaces, with 31 spaces provided in a subterranean parking garages and 13 spaces provided at-grade

f. Target Population:

As currently proposed, twelve (12) units will be targeted with supportive services and rent support for developmentally disabled households referred from East Los Angeles Regional Center and ten (10) units will be targeted with supportive services and initial rapid rehousing funds for survivors of domestic violence households in collaboration with the Downtown Women’s Center. Depending upon available financing, the target population for these special needs units could change.

g. ADA Requirements:

A certified access specialist (“**CASp**”) will be retained for the Project, and a CASp certificate of inspection will be issued prior to COO. For COO issuance, the Project shall meet all LADBS’ Disabled Access Services requirements, and at least 11% of the units will comply with the Uniform Federal Accessibility Standards (“**UFAS**”) requirements for mobility accessibility, 2% of the units will comply with UFAS requirements for visual accessibility, and 2% of all units will comply with UFAS requirements for hearing accessibility.

h. Amenities:

The community-serving space will be used for supportive service offices, laundry facilities, computer room etc. Also provided will be a second story courtyard with a tot-lot, seating and landscaping as well as a 6th floor roof deck with outdoor furnishings and landscaping.

5. Lease of the City Site:

The City agrees to ground lease to Lessee and Lessee agrees to ground lease from City, the lease hold interest in the Site in accordance with the DDA. The Ground Lease will have a 99-year term.

6. Lease Payment for City Site:

The City agrees to ground lease the Site to Lessee and Lessee agrees to ground lease the Site for the following below Fair Market Value rent:

- a. A 99-year Ground Lease term consisting of a 55-year initial term (“**Initial Term**”), followed by four additional extension options of 11 years each.
- b. During the Initial Term, LAHD will charge an annual rent of \$1, with the option for the Lessee to prepay the rent for the full Initial Term at closing. The Ground Lease Rent will be reappraised and adjusted at the time of each extension, in compliance with State Law requirements for long term leases.
- c. There will be no annual residual ground lease rent charged.
- d. City Ground Lease will not be subordinated to the construction and permanent debt lenders of the Project.
- e. If the affordability restrictions are no longer in place, then the Project will pay a market rate ground lease rent based on a fair market rent appraisal at the time the affordability restrictions expire or are removed.

7. Remediation:

There are no known environmental remediation requirements associated with the Site. However, a Phase I was completed which recommended that a Phase II be conducted, to assess possible soil vapor intrusion caused by a leaking gas tank which was remediated in the 1990’s, at a former gas station across the street and to the north of the site. The Phase II identified levels of VOC’s in the soil vapor at concentrations which exceed their respective ESLs for residential air. Based on the design of the building including one level of ground floor parking over one level of underground parking, along with normal construction practices which require a moisture barrier below the concrete floor, no further migration measures are recommended.

8. Replacement Parking:

DOT has determined that due to the low utilization of the parking lot, the existing parking spaces do not need to be replaced.

9. Surplus Land Act:

The project must be provided Surplus Land Act (“**SLA**”) exemption from the State of California no later than 30 days prior to disposition. The exemption based on Government Code Section 54221(f)(1)(F)(i) will require that 100% of the units (47 units without manager’s unit) must be restricted to moderate income households or lower income. Of the 47 units required to be restricted, at most 25% of the units (11 units) can be restricted to moderate income households, and the balance of the units (36 units) must restricted to lower income households.

The proposed income and affordability restrictions for the Project will mee the SLA exemption restriction requirements.

10. Developer Pro Forma:

Attached (“**Attachment C**”) is the current Developer Pro Forma for the Project. In addition to the ground lease, the Developer is seeking financing through the City of Los Angeles’ Affordable Multifamily Pipeline Program and will be seeking 9% tax credits.

11. Project Site Plan:

Attached (“**Attachment D**”) is the current Site Plan for the Project.

12. Labor Rates:

The Project will incur State and Federal prevailing wages on all work that is performed on site. The Project will not enter into a Project Labor Agreement.

13. Developer Fee:

The total developer fee is estimated at \$2,200,000.

14. Social Services to be Provided at Project:

As currently proposed, the East Los Angeles Regional Center (“**ELARC**”) for non-homeless persons with Developmental Disabilities Households will offer intensive support services to their consumers through Vendor Service Providers (“**VSP**”) as needed by the individual anywhere from a few hours a month up to 24-hour care.

Minimum TCAC-required Resident Services Coordinator (“**RSC**”) hours to organize the following:

- Educational programs
- After-school activities
- Community engagement activities

Intensive Supportive Case Management for non-homeless Domestic Violence survivors will include the following:

- Support as long as needed to achieve stability
- Initial short-term Rapid Rehousing support from Downtown Women’s Center

WORKS will provide Service Coordination between the Downtown Women’s Center, ELARC and their VSP, and the RSC.

15. Minimum Reserves:

- a. Capitalized Operating Reserves – a minimum of three months of operating expenses and debt service
- b. Transition Reserves – N/A
- c. Annual Replacement Reserves – a minimum of \$300 per unit

16. Subordination:

The following summarizes the agreed upon subordination assumption for the City’s affordability restrictions and loan:

Description	Subordination
City Ground Lease	Unsubordinated
City Ground Lease Affordability Restrictions	Unsubordinated
City Land Use Affordability Restrictions	Unsubordinated

17. Affordability Restrictions:

With one-unit set-aside for an on-site manager, the remaining 47 units’ income and affordability requirements will be restricted by the following for 55-years, from Certificate of Occupancy (COO), which also meet the SLA income and affordability restrictions for 47 of the units:

City Land Regulatory Agreement	Income Restriction	Rent Restrictions	1-Bdrm Units	2-Bdrm Units	3-Bdrm Units	Total Units
Lower Income (80%)	Schedule I		16	11	9	36
Moderate Income HCD	Schedule VII – Moderate Income (120%)	Schedule VII – Moderate Income (110%)	5	3	3	11
Total Units			21	14	12	47

The City will place an additional unsubordinated regulatory agreement on the Site for the Density Bonus requirements. The Project will also be restricted by subordinated regulatory agreements for the various funding sources.

18. Financing Plan:

The following summarizes the anticipated Financing Plan for the Project:

Description	Entity	Amount
Construction Loan	TBD	\$24,100,000
Permanent Loan	TBD	\$1,800,000
AHTF Loan	LACDA	3,000,000
AHMP Loan	LAHD	5,706,000
MHP Loan	HCD	4,450,000
9% Tax Credit Equity	TCAC	22,123,000
Total Funding Sources		\$37,079,000

19. Currently Anticipated Milestones:

The following summarizes the anticipated timeline for the Project:

Action	Dates
Key Terms and Conditions Executed	Oct 2022
DDA Executed	Mar 2023
Entitlements Application Submittal / Secured	Aug 2022 / Feb 2023
LAHD Submits SLA Letter to HCD / HCD Approval for Exemption	Dec 2022 / Jan 2023
AHMP Application / Award	Nov 2022 / Jan 2023
LACDA NPLH & AHTF Application / Award	Jan 2023 / Mar 2023
MHP Application/Award from HCD	June 2023 / Dec 2023
9% Tax Credit Application/Award from CTCAC	Mar 2024 / June 2024
Financing / Land Closing	Nov 2024
Construction Commences / Completed	Dec 2024 / Nov 2026
Project Stabilization	May 2027

Note: This is dependent on the Project receiving funding in the first funding round available for each public funder in sequence. Should the Project not receive funding in the first round, this timeline will be delayed by corresponding delay in securing public funding.

--- Signatures on the next page ---

20. **Agreement of Key Terms and Conditions:**

This agreement of key terms and conditions is not a contract. It is a worksheet that will be utilized to prepare the DDA and associated City contractual documents.

LAHD
City of Los Angeles Housing Department

By: _____ Date: _____
Daniel Huynh
Assistant General Manager

DEVELOPERS

By: Women Organizing Resources Knowledge and Services, a California nonprofit public benefit corporation,

By: Mary-Jane Wagle Date: 10/3/22
Mary-Jane Wagle,
Chair and Co-Executive Director

By: GTM Holdings, LLC, a California limited liability company

By: Mark Walther Date: 10-4-22
Mark Walther
Principal

Attachment A	Parcel Legal Description
Attachment B	Parcel Map
Attachment C	Tentative Tract Map
Attachment D	Project Site Plan
Attachment E	Project Pro Forma

Attachment A
Legal Description

EXHIBIT "A"

All that certain real property situated in the County of [Los Angeles](#), State of California, described as follows:

PARCEL 1:

THE NORTH 40 FEET OF LOT 8, BLOCK 11, EAST LOS ANGELES TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 3, PAGE 194](#) OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 2:

THE SOUTH 20 FEET OF LOT 8 AND THE NORTH 20 FEET OF LOT 10 IN BLOCK 11 OF EAST LOS ANGELES, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 3, PAGES 194](#) AND 195 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

THE SOUTH 40 FEET OF LOT 10 IN BLOCK 11 OF EAST LOS ANGELES, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN [BOOK 3, PAGES 194](#) AND 195 OF MISCELLANEOUS RECORDS, OF SAID COUNTY.

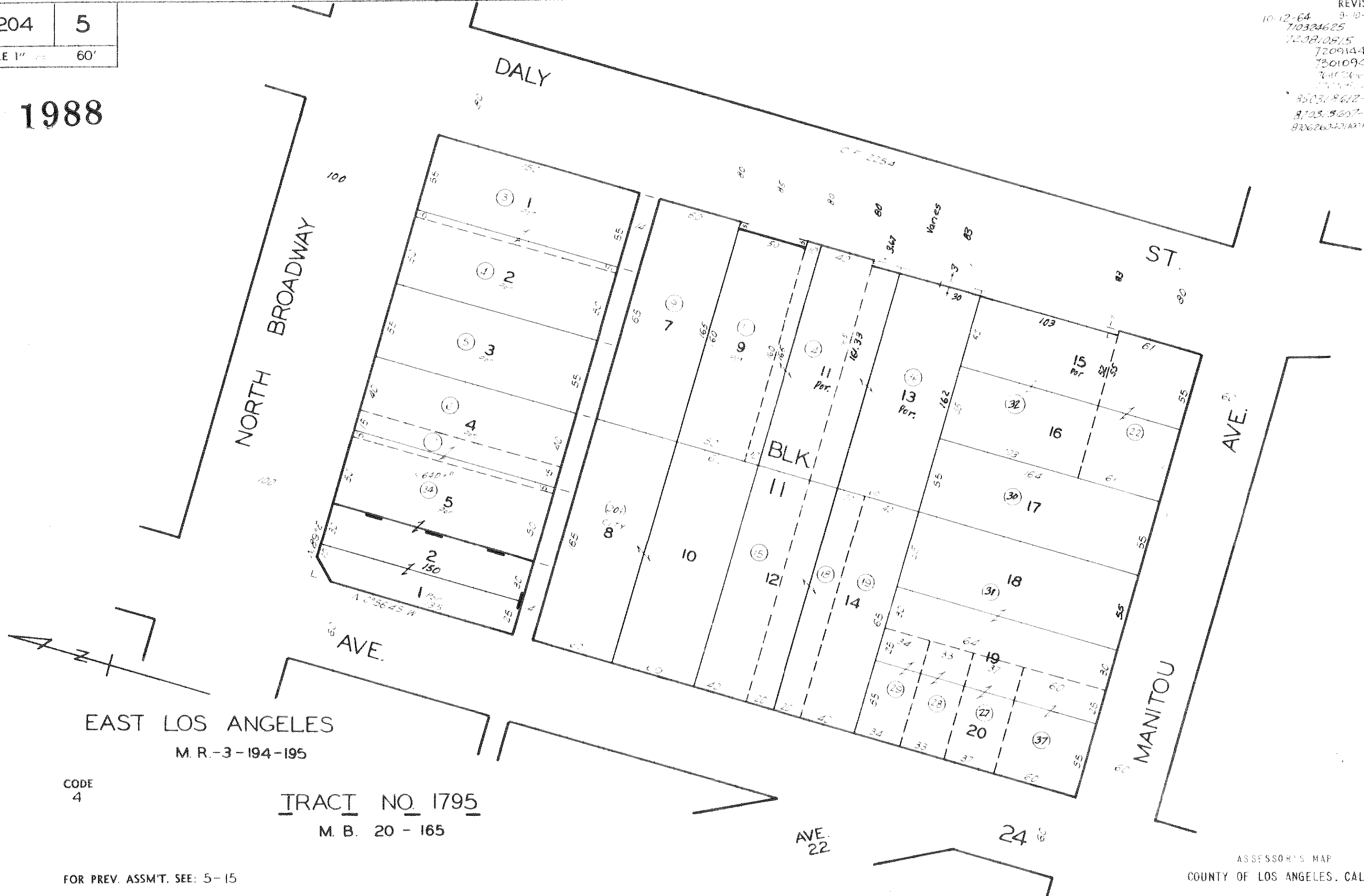
Assessor's Parcel Number: [5204-005-901](#)

Attachment B

Parcel Map

Attachment C
Tentative Tract Map

1988



EAST LOS ANGELES
M. R. -3 -194 -195

TRACT NO. 1795
M. B. 20 - 165

CODE
4

FOR PREV. ASSM'T. SEE: 5-15

Attachment D
Project Site Plan

Attachment E
Project Pro Forma

Sources of Funds	Dollars	Percent of Total Sources	Tax Interest Rate	Book Interest Rate	Amort.	Per unit
Loan 1 1st - Perm Loan	1,800,000	4.9%	6.50%	6.50%	30	37,500
Loan 3 Deferred Developer Fee	0	0.0%				
Loan 4 HCD - MHP	4,450,000	12.0%	1.79%	3.00%		4,450,000 4,450,000
Loan 5 LACDA - AHTF	3,000,000	8.09%	1.79%	3.00%		3,000,000
Loan 6 LAHD - HOME	5,706,050	15.4%	2.14%	4.00%		118,876
Loan 7						
Loan 8						
Contributions From Operations						
General Partner Equity						
Limited Partner Equity	22,122,787	59.7%				460,891
Limited Partner Equity - Synd. Cost						
Total Sources	37,078,837	100.0%				8,067,267 4,450,000

Uses of Funds	Dollars	Percent of Total Uses	Per Unit	Developer Fee Analysis	
				Construction	Acquisition
Land & Off Sites & Demo	33,000	0.1%	688	Max. Eligible Basis	34,128,000
Developer Fee-Residential	2,200,000	5.9%		Developer Fee	(2,200,000)
Developer Fee-Commercial				Exclusions from Computation	
Construction-Residential	25,441,549	68.6%	530,032	Fee Basis	31,928,000
Architect & Engineering	1,190,800				
Hard Cost Contingency	1,687,296				
Relocation					
Allocated Const Cost (permit/acctg/lender/T&E)	1,406,101				
Insurance	476,750				
Construction-Commercial				Max Percent	15.00% 5.00%
Site Improvements	469,000	1.3%		Max Fee Allowed	4,789,200
Personal Property	130,000	0.4%		Actual Fee	2,200,000
Permanent Loan Fees	993,000	2.7%		Actual Percent	6.89%
Marketing & Lease-Up	145,000	0.4%			
Organization & Start-Up	20,000	0.1%			
Tax Credit Fees	205,000	0.6%			
Amortizable Costs					
Construction Loan Interest	1,594,275	4.3%			
Expensed Costs	41,750	0.1%			
Syndication, Legal & Consulting	75,000	0.2%			
Reserve Accounts	304,383	0.8%			
Loan Repayments					
Other Costs & Fees	665,933	1.8%			
Third Party Costs - LP					
Total Uses	37,078,837	100.0%	772,476		

772,476 Residential Only

	1-Jul 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Rental Income - Residential 2.50%	248,418	679,009	695,984	713,384	731,219	749,499	768,237	787,443	807,129	827,307	847,989	869,189	890,919	913,192	936,022	959,422
Other Income - Residential 2.50%	1,080	2,952	3,026	3,101	3,179	3,258	3,340	3,423	3,509	3,597	3,687	3,779	3,873	3,970	4,069	4,171
Vacancy/Loss - Residential 5.00%	(12,475)	(34,098)	(34,951)	(35,824)	(36,720)	(37,638)	(38,579)	(39,543)	(40,532)	(41,545)	(42,584)	(43,648)	(44,740)	(45,858)	(47,005)	(48,180)
Rental Income - HAP 2.50%																
Vacancy/Loss - HAP 5.00%																
Net Rental Income	237,023	647,863	664,060	680,661	697,678	715,120	732,998	751,323	770,106	789,358	809,092	829,320	850,053	871,304	893,086	915,414
Operating Expenses	(224,120)	(462,942)	(478,156)	(493,901)	(510,196)	(527,059)	(544,510)	(562,571)	(581,262)	(600,605)	(620,623)	(641,340)	(662,780)	(684,968)	(707,931)	(731,695)
Net Operating Income	12,903	184,922	185,904	186,760	187,482	188,061	188,487	188,752	188,844	188,753	188,469	187,980	187,273	186,336	185,156	183,718
Debt Service - Loan 1 1st - Perm Loan		(136,527)	(136,527)	(136,527)	(136,527)	(136,527)	(136,527)	(136,527)	(136,527)	(136,527)	(136,527)	(136,527)	(136,527)	(136,527)	(136,527)	(136,527)
Debt Service - Loan 2		(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Hard Ground Lease																
Replacement Reserve - Funding		(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Transition Reserve Fund - Funding																
Operating Reserve - Funding																
Use of Operating Reserves																
Residual Cash Flow	12,903	24,395	25,377	26,233	26,955	27,534	27,961	28,225	28,317	28,227	27,942	27,453	26,746	25,809	24,629	23,192
Development Costs Paid From Operations																
General Partner Management Fee - Base	(5,000)	(10,300)	(10,609)	(10,927)	(11,255)	(11,593)	(11,941)	(12,299)	(12,668)	(13,048)	(13,439)	(13,842)	(14,258)	(14,685)	(15,126)	(15,580)
Limited Partner Management Fee	(2,500)	(5,150)	(5,305)	(5,464)	(5,628)	(5,796)	(5,970)	(6,149)	(6,334)	(6,524)	(6,720)	(6,921)	(7,129)	(7,343)	(7,563)	(7,612)
Debt Service - Loan 3 Deferred Developer Fee	(0)															
General Partner Management Fee - Incentive																
Debt Service - Loan 4 HCD - MHP	(914)	(1,513)	(1,601)	(1,665)	(1,704)	(1,716)	(1,700)	(1,653)	(1,575)	(1,464)	(1,316)	(1,131)	(906)	(639)	(328)	
Debt Service - Loan 5 LACDA - AHTF	(616)	(1,020)	(1,079)	(1,122)	(1,148)	(1,157)	(1,146)	(1,115)	(1,062)	(987)	(887)	(763)	(611)	(431)	(221)	
Debt Service - Loan 6 LAHD - HOME	(1,172)	(1,940)	(2,052)	(2,134)	(2,184)	(2,200)	(2,179)	(2,120)	(2,020)	(1,877)	(1,688)	(1,451)	(1,162)	(820)	(421)	
Debt Service - Loan 7																
Debt Service - Loan 8																
Soft Ground Lease																
Limited Partner Management Fee																
GP - Subordinate Partnership Management Fee	(2,431)	(4,025)	(4,259)	(4,429)	(4,533)	(4,565)	(4,522)	(4,400)	(4,192)	(3,895)	(3,503)	(3,010)	(2,412)	(1,701)	(873)	
GP Incentive Fee																
Transition Reserve - Funding																
Other Reserve Account 2 - Funding																
Partnership Distribution	270	447	473	492	504	507	502	489	466	433	389	334	268	189	97	
Limited Partner Distribution 99.99%	270	447	473	492	504	507	502	489	466	433	389	334	268	189	97	
Limited Partner Management Fee																
Limited Partner Cash Flow for IRR Computation	270	447	473	492	504	507	502	489	466	433	389	334	268	189	97	
D.S.C. Ratio Loan 1 1.171	1.18	1.19	1.19	1.19	1.20	1.20	1.20	1.21	1.21	1.21	1.20	1.20	1.20	1.19	1.18	1.17
D.S.C. Ratio Loans 1 & 2 1.158	1.17	1.17	1.18	1.18	1.19	1.19	1.19	1.19	1.19	1.19	1.19	1.19	1.19	1.18	1.18	1.17
Vacancy Cushion 8.3%	8.6%	8.6%	8.7%	8.7%	8.7%	8.7%	8.6%	8.6%	8.5%	8.4%	8.3%	8.1%	8.0%	7.8%	7.6%	7.4%

Tax Credit Calculation	Totals	Federal Tax Credits	State Tax Credits	Acquisition Tax Credits	Residential Historic Tax Credits	Commercial Historic Tax Credits
Maximum HUD Basis, if applicable		31,951,271	31,951,271		--	--
Maximum Eligible Basis	31,951,271	31,951,271	31,951,271		--	--
less: Federal Grants/Loans	(10,583,750)	(10,583,750)	(10,583,750)		--	--
less: Historic Credits-Residential					--	--
Eligible Basis	21,367,521	21,367,521	21,367,521		--	--
High Cost Adjustment		130%	100%	--	--	--
Adjusted Eligible Basis	27,777,777	27,777,777	21,367,521		--	--
Applicable Fraction		100.00%	100.00%	100.00%	--	--
Qualified Basis	27,777,777	27,777,777	21,367,521		33,329,000	
Tax Credit Rate		9.00%				
Credit Amount - Calculated	2,500,000	2,500,000				
Credit Amount - Allocated	2,500,000	2,500,000			--	--
Credit Allowed - Per Year	2,500,000	2,500,000	@79%	non-cert		
Credit Allowed - Aggregate	25,000,000	25,000,000	@79%	non-cert		
First Year Credit Allowed	937,500	937,500				
Second Year Credit Allowed	2,500,000	2,500,000				
Third Year Credit Allowed	2,500,000	2,500,000				
MEMO: Excess Eligible Basis/(Shortfall)		(0)		--	--	--

Partner Equity Calculation	Total	Federal Tax Credits	State Tax Credits	Acquisition Tax Credits	Residential Historic Tax Credits	Commercial Historic Tax Credits
Max Aggregate Credits Allowed	25,000,000	25,000,000				
Allocation Percentage	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%
Allocation to LP	24,997,500	24,997,500				
Cents per Credit	0.8850	0.8850				
Base LP Equity	22,122,787	22,122,787				
Add'l LP Equity						
Third Party Costs - LP						
Total Limited Partner Equity	22,122,787					
Min GP Equity Required						
Add'l GP Equity						
Total General Partner Equity						
Total Partnership Equity	\$22,122,787					

Date	%	Gross Equity	Load	Net Equity	Benchmarks
Jan-24					P'ship Close
Jan-24	15.00%	\$3,318,418		\$3,318,418	Const. Start Date Certain Date Certain Date Certain
Jul-25	4.00%	\$884,911		\$884,911	CofO; Date Certain
Jan-26	78.50%	\$17,366,388		\$17,366,388	Perm Loan; 100% lease up; cost cert; Date Certain
Jul-26	2.00%	\$442,456		\$442,456	Form 8609
Oct-26	0.50%	\$110,614		\$110,614	Tax Returns
	100.00%	\$22,122,787		\$22,122,787	

Grace Villas
General Information Input

INPUT AREA
 I - 1

Project Name	Grace Villas				<p><i>Comments</i></p> <p>216-224 S. 24th St., Los Angeles, CA 90031 (Site C2)</p> <p>Census Tract: 1997.00</p> <p>TCAC:</p> <p>APN:</p> <p>Total Structures Sq. Ft: <input type="text" value="50,374"/></p> <p>TCAC housing type is Large Family - LA City Geographic Pool TB Estimate: 56.668%</p> <p>Could be SN housing type as secondary with >45% SN</p> <p>Project requires State PW for AHTF</p> <p>Project population targets include: 20 Yr HAP Value: <input type="text"/></p> <p># SN Units <input type="text" value="10"/> <u>Mix</u> 21.28%</p> <p>Non-PSH <input type="text" value="37"/> 78.72%</p>
City, State	Los Angeles	CA			
County	Los Angeles				
Project Type	New 9%				
Scenario-Line 1	48	Units			
Input Date - IA initials	28-Sep-2022				
Does the G.P. have a right of first refusal ? (Y / N)	Y				
Day In-Service	1	Construction	Month	1	
Month In-Service	7	Loan	Year	2024	
Year In-Service	2025	Close	Interest rate	4.75%	
Year to Begin Credit Period	2025	Construction Loan (\$)	24,100,000		
Partnership Allocations & Distributions					
	LP	Discount Rates & Depreciation			
Income (Loss) Distributions	99.99%	Discount Rate (%)	3.50%		
Cash Flow Distributions	99.99%	Cap Rate for Residual Value (%)	5.50%		
Gain on Sale Distribution	99.99%	Brokerage Fee upon sale (%)	3.00%		
		Tax Exempt Depreciation (%)			
Income Tax Rates & Tax Credit Information					
Combined Income Tax Rate	21.00%	Federal Income Tax Rate	21.00%		
State Income Tax Rate		Min. Deficit Restoration Obligation (y/n)		n	
Applicable Fraction - % of Units	100.00%				
Tax Credit Rate - Federal (%)	9.00%	<input type="text" value="fixed"/>			
Tax Credit Rate - State (%)					
Tax Credit Rate - Acquisition (%)					
Tax Credit Rate - Historic (%)					
Federal Tax Credit Allocation Per Year	2,500,000	{enter zero if no allocation has been made}			
State Tax Credit Allocation - Aggregate		"	"	"	
Acquisition Tax Credit Allocation Per Year		"	"	"	
Fed Subsidy Subtracted from Fed/State Basis	10,583,750	Voluntary Basis Reduction			
Fed Subsidy Subtracted from Acquisition Basis					
Apply High Cost Adjustment? (Yes/No)	Yes				
Apply TCAC Threshold basis limits? (Yes/No)	Yes				
4 Person Very Low Income Limit	59,550	2022	Pub. 4.18.22		
Year in which LIHTC is Allocated	2023				
Max Tax Credit Basis Allowed per TCAC Methodology					
Per 2022 Thresholds Pub. Jan. 31, 2022					
Unit Mix	# Units	Max Basis Per Unit	Total Basis	Total Bedrooms	
0 BR					
1 BR	21	393,278	8,258,838	21	
2 BR	15	474,400	7,116,000	30	
3 BR	12	607,232	7,286,784	36	
4 BR					
Threshold Basis	<input type="text" value="48"/>		22,661,622	87	
Boost Factor			9,289,649		
Max. Allowable Basis			31,951,271		
Percentage to Rehab. Credit Basis			100%		

Grace Villas
Development Costs and Eligible Basis

INPUT AREA
1 - 2

Lot Size: 20,068 0.46 acres
Total Lot Size: 20,068 0.46 acres

	Total Cost	Land & Off-Site Basis	Residential Basis	Commercial Basis	Land Improvement Basis	Personal Property Basis	Amort Basis	2025 Expensed Costs	2026 Expensed Costs	Non-Tax Deductible Costs	Federal Credit		State Cr.	Hist.-RES	Hist.-COM	
											Acquisition Basis	Rehab / New Constr. Basis	Eligible Basis	Eligible Basis	Eligible Basis	
Land & Offsite Costs																
Land Acquisition																
Off Sites	33,000	33,000														
Developer Fees	2,200,000		2,200,000									2,200,000	2,200,000	2,200,000		
Development Costs																
Building Acquisition (4% Credit)																
Construction/Rehabilitation	22,157,137		22,157,137									22,157,137	22,157,137	22,157,137		
Contingency 6.50%	1,687,296		1,687,296									1,687,296	1,687,296	1,687,296		
Appraisal & Lender OOPs	70,000		70,000									70,000	70,000	70,000		
Architecture & Engineering + CM	1,190,800		1,190,800									1,190,800	1,190,800	1,190,800		
Construction Inspections	36,000		36,000									36,000	36,000	36,000		
Real Estate Taxes & Insurance & GC Bond	1,008,414		1,008,414									1,008,414	1,008,414	1,008,414		
Local Permits & Fees	735,000		735,000									735,000	735,000	735,000		
Accounting - Construction period	66,000		66,000									66,000	66,000	66,000		
Gen'l Requirements	1,185,364		1,185,364									1,185,364	1,185,364	1,185,364		
Contractor O/H & Profit	1,580,485		1,580,485									1,580,485	1,580,485	1,580,485		
Constr. Loan - Fees & Legal	326,000		326,000									326,000	326,000	326,000		
Construction Loan - Interest 40.00%	926,504		926,504									926,504	926,504	926,504		
Title/Record	160,000		160,000									160,000	160,000	160,000		
Land Improvement Costs	469,000				469,000							469,000	469,000			
Personal Property	130,000					130,000						130,000	130,000			
Permanent Loan Costs																
Perm Loan 1 Fees	18,000						18,000									
Perm Loan 1 T&R, Legal, etc.	525,000						525,000									
Soft Cost Contingency	450,000											200,000				
Perm Loan 2 T&R, Legal, etc.																
Amortizable Costs																
Marketing & Lease-Up	145,000						145,000									
Organization & Start-Up	20,000						20,000									
Tax Credit Fees	205,000						205,000									
Oper. Deficit City Fee	1															
Pre-Pd. LP Asset Mgt	15															
Social Service Start-up	1															
Expensed Costs																
Construction Loan - Interest 100.00%	667,771							667,771								
Taxes and Insurance	26,750							26,750								
Post-Construction Audit	15,000							15,000								
Other expensed costs																
Non-Deductible Costs																
Syndication, Legal & Consulting	75,000									75,000						
Repl. Reserve (NR/R) R																
Oper. Reserve (NR/R) NR	304,383									304,383						
Transition Rsv - NPLH NR																
Transition Rsv - Non-NPLH NR																
*Repayment - Loan # 1																
Tax Credit Fees - Reimbursable																
Other Non-Deduct: Predev Holding	665,933									665,933						
TOTALS	37,078,837	33,000	33,329,000		469,000	130,000	913,000	709,521		1,045,316		34,128,000	33,928,000	33,329,000		
* Soft Loans only, ie. 4 - 8 Do every one of the buildings in this project have "less than 20% commercial revenue" ? (Y / N)											Input for Developer Fee Analysis		Less: Adjustment to Historic Basis			
											Construc.		Acquis.		Historic Basis	
Third Party Costs - LP																
Number of Buildings											1					
											Costs Ineligible for Fee computation					
											Developer Fee per QAP (%)		15.00%		5.00%	

Grace Villas
Unit Mix and Rent Structure

INPUT AREA
I - 3

Residential Units	Per Unit Square Feet	Total Number of Units	Contract Rent per Unit/Mo w/o utility	Utility Allow per Unit/Mo	Gross Rent per Unit/Mo w/utility	Max. Tax Credit Rent per Unit/Mo w/utility	Max. Tax Credit Rent per Unit/Mo w/o utility	Target Income Level w/utility	Market Rent per Unit/Mo w/o utility	Contract Rent Reduction from Market w/o utility		PBV	S8 Pmt Std	2.1.22	Per Unit Square Feet	Total Number of Units	Total Square Feet	Base Yr Rent per Sq Ft/Mo	Base Yr Annual Rent
										\$	%								
Med.Inc x 30%																			
0 BR DV																			
1 BR DV	725	1	632	38	670	670	632	30%		(632)	#DIV/0!								
2 BR DV	810	2	754	50	804	804	754	30%		(754)	#DIV/0!								
3 BR DV	961	2	869	60	929	929	869	30%		(869)	#DIV/0!								
4 BR																			
5 BR																			
Subtotal or W. Avg.	854	5	776	52	827	827	776	30%		(776)	#DIV/0!								
Med.Inc x 30%																			
0 BR DV																			
1 BR DV	725	5	632	38	670	670	632	30%		(632)	#DIV/0!								
2 BR DV	810																		
3 BR DV	961																		
4 BR																			
5 BR																			
Subtotal or W. Avg.	725	5	632	38	670	670	632	30%		(632)	#DIV/0!								
Med.Inc x 30%																			
0 BR DD																			
1 BR DD	725	12	632	38	670	670	632	30%		(632)	#DIV/0!								
2 BR DD	810																		
3 BR DD	961																		
4 BR																			
5 BR																			
Subtotal or W. Avg.	725	12	632	38	670	670	632	30%		(632)	#DIV/0!								
Med.Inc x 60%																			
0 BR																			
1 BR Gen'l LI	725	3	1,302	38	1,340	1,340	1,302	60%		(1,302)	#DIV/0!								
2 BR Gen'l LI	810	12	1,558	50	1,608	1,608	1,558	60%		(1,558)	#DIV/0!								
3 BR Gen'l LI	961	10	1,798	60	1,858	1,858	1,798	60%		(1,798)	#DIV/0!								
4 BR																			
2BR MGR	810	1																	
Subtotal or W. Avg.	858	26	1,561	51	1,611	1,611	1,561	58%		(1,561)	#DIV/0!								
Market Rate																			
0 BR																			
1 BR																			
2 BR																			
3 BR																			
4 BR																			
5 BR																			
Subtotal or W. Avg.																			
Grand Tot. or W. Avg.	811	48	1,150	46	1,196	1,196	1,150	45%		(1,150)	#DIV/0!								
MEMO:	Total Affordable Units		48		100.00%		Annual Affordable Rent		\$662,448		Annual Commercial Rent		Total		\$662,448				
	Total Affordable Square Feet		38,913		100.00%		Annual Market Rent				Annual Miscellaneous Income		\$2,880						

Development Costs Paid from Operations

Year	Amount
2025	
2026	

Annual Inflation Rates for Rents

	Residential	Commercial
2025	2.50%	2.50%
2026	2.50%	2.50%
2027	2.50%	2.50%
2028	2.50%	2.50%
2029	2.50%	2.50%
2030	2.50%	2.50%
2031	2.50%	2.50%
2032	2.50%	2.50%
2033	2.50%	2.50%
2034	2.50%	2.50%
2035	2.50%	2.50%
2036	2.50%	2.50%
2037	2.50%	2.50%
2038	2.50%	2.50%
2039	2.50%	2.50%
2040	2.50%	2.50%

Grace Villas
Operating Expenses Input

INPUT AREA
I - 4

	Escalator	Base Year Annual Exp	1-Jul 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Management Fee	3.50%	37,440	18,720	38,750	40,107	41,510	42,963	44,467	46,023	47,634	49,301	51,027	52,813	54,661	56,574	58,555	60,604	62,725
Marketing	3.50%	2,520	1,260	2,608	2,699	2,794	2,892	2,993	3,098	3,206	3,318	3,435	3,555	3,679	3,808	3,941	4,079	4,222
Legal	3.50%	5,000	2,500	5,175	5,356	5,544	5,738	5,938	6,146	6,361	6,584	6,814	7,053	7,300	7,555	7,820	8,093	8,377
Acctg / Audit	3.50%	10,000	5,000	10,350	10,712	11,087	11,475	11,877	12,293	12,723	13,168	13,629	14,106	14,600	15,111	15,640	16,187	16,753
Office / G&A	3.50%	28,420	14,210	29,415	30,444	31,510	32,613	33,754	34,935	36,158	37,424	38,734	40,089	41,492	42,945	44,448	46,003	47,613
Insurance	3.50%	26,750	13,375	27,686	28,655	29,658	30,696	31,771	32,883	34,033	35,225	36,458	37,734	39,054	40,421	41,836	43,300	44,816
Business License	3.50%	4,500	2,250	4,658	4,821	4,989	5,164	5,345	5,532	5,725	5,926	6,133	6,348	6,570	6,800	7,038	7,284	7,539
Real Estate Taxes	2.00%	5,500	2,750	5,610	5,722	5,837	5,953	6,072	6,194	6,318	6,444	6,573	6,704	6,839	6,975	7,115	7,257	7,402
Electric	3.50%	30,200	15,100	31,257	32,351	33,483	34,655	35,868	37,124	38,423	39,768	41,160	42,600	44,091	45,634	47,231	48,885	50,596
Gas	3.50%																	
Water/Sewer	3.50%	41,500	20,750	42,953	44,456	46,012	47,622	49,289	51,014	52,800	54,648	56,560	58,540	60,589	62,709	64,904	67,176	69,527
Payroll & Benefits	3.50%	135,520	67,760	140,263	145,172	150,253	155,512	160,955	166,589	172,419	178,454	184,700	191,164	197,855	204,780	211,947	219,365	227,043
Trash	3.50%	12,500	6,250	12,938	13,390	13,859	14,344	14,846	15,366	15,903	16,460	17,036	17,632	18,250	18,888	19,549	20,234	20,942
Grounds	3.50%	5,400	2,700	5,589	5,785	5,987	6,197	6,414	6,638	6,870	7,111	7,360	7,617	7,884	8,160	8,445	8,741	9,047
Supplies & Repairs	3.50%	31,250	15,625	32,344	33,476	34,647	35,860	37,115	38,414	39,759	41,150	42,591	44,081	45,624	47,221	48,874	50,584	52,355
Elevator/Pest/Security/Alarm	3.50%	33,900	16,950	35,087	36,315	37,586	38,901	40,263	41,672	43,130	44,640	46,202	47,819	49,493	51,225	53,018	54,874	56,794
LACDA Monitoring		7,150	3,575	7,150	7,150	7,150	7,150	7,150	7,150	7,150	7,150	7,150	7,150	7,150	7,150	7,150	7,150	7,150
HCD Monitoring		18,690	9,345	18,690	18,690	18,690	18,690	18,690	18,690	18,690	18,690	18,690	18,690	18,690	18,690	18,690	18,690	18,690
Service Coordination	3.50%	12,000	6,000	12,420	12,855	13,305	13,770	14,252	14,751	15,267	15,802	16,355	16,927	17,520	18,133	18,767	19,424	20,104
Total	3.32%	448,240	224,120	462,942	478,156	493,901	510,196	527,059	544,510	562,571	581,262	600,605	620,623	641,340	662,780	684,968	707,931	731,695

MEMO: Operating Expense / Unit 9,338
Op Exp / Unit excl. RE Tax 9,224
Op Exp / Unit w tax no SS 9,088

Operating Assumptions				
Management Fee (\$ / Unit)				\$65.00
Residential Operating Expense Escalator				3.50%
Other Residential Income Escalator				2.50%
Other Residential Income Per Unit Per Month				\$5.00
Pro-Rate Year 2 Expense Escalator? (Yes/No)				No
Apply Vacancy/Loss % to Other Income? (Yes/No)				Yes
	Year 1	Year 2	Year 3	Year 4 +
Vacancy - Lowest Income Units	5.00%	5.00%	5.00%	5.00%
Vacancy - Lower Income Units	5.00%	5.00%	5.00%	5.00%
Vacancy - Low Income Units	5.00%	5.00%	5.00%	5.00%
Vacancy - Low Income Units	5.00%	5.00%	5.00%	5.00%
Vacancy - HAP	5.00%	5.00%	5.00%	5.00%
Wtd. Avg. Low Income Vacancy	5.00%	5.00%	5.00%	5.00%

Ground Leases, Fees & Reserves				Interest Rate	Expense (%)
	Percent (%)	Amount (\$)	Escalator	Accrues?	
Hard Ground Lease			2.00%	Yes	
Soft Ground Lease			2.00%	Yes	
General Partner Management Fee			3.00%	No	100.00%
Limited Partner Management Fee			3.00%	Yes	
Subordinate P'ship Mgt Fee	90.00%	75,000		No	10.00%
GP Incentive Fee				No	
Replacement Reserves Per Unit Per Year		500			3.00%
Operating Reserves as % of Operating Expenses					3.00%
Include Limited Partner Cashflow and Fee in IRR Computation ? (Yes / No)				No	
Recognize Limited Partner Fee as Income ? (Yes / No)				No	
General Partner Management Fee, if ahead of Developer Fee (\$)				10,000	
Limited Partner Management Fee, if ahead of Developer Fee (\$)				5,000	
Do you want to expense the G.P. fee only if it is paid ? (Yes / No)				No	

(Yes, if GP is non-profit)

10.00% % of Gross Income

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Building					30,000				48,000					62,000		
Personal Property					30,000				48,000					62,000		
Reserve Balance	24,360	49,451	75,294	40,113	65,677	92,007	119,127	48,181	73,986	100,566	127,943	156,141	57,465	83,549	110,416	

Debt Structure		Month In Service	Year In Service	Beginning Principal	Tax Interest Rate	Book Interest Rate	Book Method: Simple or Effective	Loan Amort.	Loan Term	Recourse/ Non-Rec. (R / N)	% of remaining Cashflow toward D.S	Expense Interest only when paid (Yes/No)	M.I.P (%)		Fix./Decl. (F / D)		
Loan 1	1st - Perm Loan	1	2026	1,800,000	6.50%	6.50%		30	30	N						D	
Loan 2		1	2026	0	6.50%	6.50%		15	15	N							
Loan 3	Deferred Developer Fee			0			effective		15	N	100%	No					
Loan 4	HCD - MHP			4,450,000	1.79%	3.00%	simple		55	N	50.00%	No	Per Unit Subsidy:		\$92,708		
Loan 5	LACDA - AHIF			3,000,000	1.79%	3.00%	simple		55	N	50.00%	No	Per Unit Subsidy:		\$62,500		
Loan 6	LAHD - HOME			5,706,050	2.14%	4.00%	simple		55	N	50.00%	No	Per Unit Subsidy:		\$118,876		
Loan 7							simple		55	N		No	Per Unit Subsidy:				
Loan 8							simple		55	N		No	Per Unit Subsidy:				
Grants									30								
				14,956,050													
LEASE-UP SCHEDULE										Equity Pricing							
In-Service Date: 7/1/25			Begin Credit Period: 2025							Pricing Info: Cents per Tax Credit							
Year	Month #	Month	"Residential" units Placed in Service as of	Qualified Occupancy (Cumulative)	Federal Credits Earned	State Credits Earned	Acquisition Credits Earned	Resident Historic Credits Earned	Commel Historic Credits Earned	*Units Placed in Service for computing Tax Credits	Federal Tax Credits		99.99%	100.00%			
2025	1	January									State Tax Credits		\$0.8850	\$0.8849			
	2	February									Acquisition Tax Credits						
	3	March									Historic Tax Credits - Residential						
	4	April									Historic Tax Credits - Commercial						
	5	May									Additional L.P. Equity - Upward						
	6	June															
	7	July	48	12	52,083					12							
	8	August		24	104,167					24							
	9	September		36	156,250					36							
	10	October		48	208,333					48							
	11	November		48	208,333					48							
	12	December		48	208,333					48							
			48		937,500												
2026	1	January		48	208,333					48							
	2	February		48	208,333					48							
	3	March		48	208,333					48							
	4	April		48	208,333					48							
	5	May		48	208,333					48							
	6	June		48	208,333					48							
	7	July		48	208,333					48							
	8	August		48	208,333					48							
	9	September		48	208,333					48							
	10	October		48	208,333					48							
	11	November		48	208,333					48							
	12	December		48	208,333					48							
			48	48	2,500,000					48							
										Equity Pay-In Schedule - Limited Partner							
	Installment	Date	%	Gross Equity*	Benchmarks												
	1	Jan-2024			P'ship Close												
	2	Jan-2024	15.00%	3,318,418	Const. Start												
	3				Date Certain												
	4				Date Certain												
	5				Date Certain												
	6	Jul-2025	4.00%	884,911	CoFo; Date Certain												
	7	Jan-2026	78.50%	17,366,388	Perm Loan; 100% lease up; cost cert; D												
	8	Jul-2026	2.00%	442,456	Form 8609												
	9	Oct-2026	0.50%	110,614	Tax Returns												
	10																
	11																
	12																
	13																
	14																
	15																
	16																
			100.00%	22,122,787	*Includes a load of \$0.												
										Equity - General Partner							
										Minimum G.P. Equity (%)							
										Additional G.P. Equity (\$)							

**Grace Villas
Los Angeles, CA
Source & Use Summary - Construction vs Permanent**

SUMMARY OF SOURCES & USES

Construction Period

Sources			Uses	
Construction Loan		24,100,000	Land	33,000
Soft Debt	LACDA - AHTF	2,700,000	Construction Costs	24,443,433
Soft Debt	LAHD - HOME	5,135,445	Ground Lease	
Tax Credit Equity	15.00%	3,318,418	Interest	1,594,275
			Soft Costs	7,510,746
			Developer Fee	25.00%
			683,878	
GP Equity			Perm Loan Fees/Costs	988,531
TOTAL		\$35,253,863	TOTAL	\$35,253,863

0

Permanent Loan Closing

Sources			Uses	
Perm Loan		1,800,000	Repay Construction Loan	24,100,000
Soft Debt	LACDA - AHTF	300,000	Perm costs paid at conversion	4,469
Soft Debt	LAHD - HOME	570,605	Social Service & Asset Mgt startup	
	HCD - MHP	4,450,000		
Tax Credit Equity	85.00%	18,804,369	Reserves	304,383
			Developer Fee	68.91%
			1,516,122	
TOTAL		\$25,924,974	TOTAL	\$25,924,974

0

Total Permanent Sources & Development Costs

Sources			Uses	
Perm Loans		1,800,000	Land	33,000
Soft Loans		13,156,050	Construction Costs	24,443,433
Grant / GP Equity			Interest	1,594,275
Project Cashflow			Soft Costs	8,503,746
Deferred Dev. Fee		0	Reserves	304,383
Tax Credit Equity		22,122,787	Developer Fee	2,200,000
TOTAL		\$37,078,837	TOTAL	\$37,078,837

LOAN SIZING ASSUMPTIONS		
Selected Option:	4	4
FINANCING OPTIONS	TBD	Selected Structure
VALUE DRIVERS, AND LIMITERS		
NOI (Cashflow Available for Debt Service)	159,822	159,822
NOI Limiters (% of Full NOI Used)	100%	
Estimated Appraised Value (Restricted)	3,196,432	3,196,432
	5.00%	
RATE STACK		
Base Rate (2)	6.500%	
Underwriting Cap		
GNMA Servicing		
Credit Enhancement/Servicing		
Mortgage Insurance Premium		0.000%
Liquidity Fee		
Remarketing Fee		
Issuer Fee	0.000%	
Trustee/Rebate	0.000%	
Cap Escrow		
Total Interest Rate	6.500%	6.500%
Required Debt Service Coverage	1.150	
Max Sr. Debt - Debt Service Constraint	1,832,283	
Max LTV	80%	
Max Sr. Debt	2,557,146	
Max LTC	n/a	
Max Sr. Debt	1,800,000	
SENIOR BONDS		
Maximum Allowable Amount (1)	1,800,000	1,800,000
Rate	6.50%	
Amortization	360	360
Term	360	360
Annual Senior Debt Service	136,527	
DSCR	1.17	
EXCESS CASH FLOW ANALYSIS		
Excess Cash Flow Post Senior Bonds	23,295	
50% priority payment		
50% excess cash flow		
SENIOR SUBORDINATE BONDS (Non-Rated)		
Amount (Construction Bridge Loan)	22,300,000	22,300,000
Rate (3)		
Term		
Annual Subordinate Debt Service Constraint		
DSCR Constraint		
Indicated Annual Subordinate Debt Service		
Indicated Subordinate Debt Service DSCR		
TOTAL BOND PROCEEDS	24,100,000	24,100,000
ANNUAL DEBT SERVICE	136,527	136,527
TOTAL CASH TO BORROWER	23,295	23,295
FOOTNOTES:		
	Const	Perm
Index (30 day LIBOR / 15 yr LIBOR Swap)	1.75%	3.00%
Margin	2.00%	2.50%
Cushion	1.00%	1.00%
	4.75%	6.50%

THRESHOLD BASIS LIMITS - LOS ANGELES COUNTY

Per 2022 Thresholds Pub. Jan. 31, 2022

UNIT SIZE	9% Credits Y	NO. OF UNITS	4% Credits N	NO. OF UNITS	BASIS LIMIT
0	\$341,094	0	\$341,094	0	\$0
1	\$393,278	21	\$393,278	0	\$8,258,838
2	\$474,400	15	\$474,400	0	\$7,116,000
3	\$607,232	12	\$607,232	0	\$7,286,784
4	\$676,494	0	\$676,494	0	\$0
	TOTAL UNITS	48	TOTAL UNITS	0	

TOTAL THRESHOLD BASIS LIMIT \$22,661,622

THRESHOLD BASIS ADJUSTMENTS PER 10327(C)(5):

Y	Project requires payment of prevailing wages	4,532,324	}		
N	Project is subject to a Project Labor Agreement	0			
Y	New construction with subterranean parking (not tuck-under)	2,266,162			
N	Day Care Center	0			
N	100% of the units are for special needs populations	0			
Y	At least 95% of the upper floor units are served by elevator	2,266,162			
N	Type I construction	0			
N	Type III construction	0			
					9,064,649

Energy Efficiency Boost Items (per Regs)

N	1	On-site renewable energy > 50% tenant or	0.00%		
N	2	On-site renewable > 75% common or 90%	0.00%		
N	3	New Const that is T24+5% (over 2019 code)	0.00%		
N	4	Rehab with 80% improvement in energy us	0.00%		
N	5	Irrigate only with reclaimed or graywater	0.00%		
N	6	Community Garden (60sf per unit)	0.00%		
N	7	Natural floor coverings - units	0.00%		
N	8	Natural floor coverings - common areas	0.00%		
N	9	Meet US EPA Indoor Air Plus program	0.00%		
			0.00%	0	not > 10%

N	Bond deals:	% of units at 36-50% AMI (1% boost per 1% units)	25.53%	0
		% of units at or below 35% AMI (2% boost per 1% units)	21.28%	0
N	Significant seismic upgrading or environmental mitigation (actual cost w 15% max boost)			0
Y	Development Impact Fees			225,000
N	High Opportunity Project <u>Low Resource</u>			0

ADJUSTED THRESHOLD BASIS \$31,951,271

Total Eligible Basis	\$34,128,000
High Cost Test Factor	106.81%
High Cost:	No
Eligible Basis / Unit	711,000

<u>LAHD</u>		MP 2022			
<u>Size</u>	<u># Units - LI</u>	<u>Max Loan</u>	<u># Units - ELI</u>	<u>Max Loan</u>	
0BR		87,843		126,000	
1BR	3	96,978	18	135,450	2,729,034
2BR	12	107,478	2	140,000	1,569,736
3BR	10	112,728	2	140,000	1,407,280
	<u>25</u>		<u>22</u>		<u>5,706,050</u>

<u>LACDA AHTF</u>		NOFA 27		100.00%	
<u>Size</u>	<u># Units</u>	<u>Max Loan</u>		<u>Requested</u>	
0BR		140,000		140,000	
1BR	18	150,000	2,700,000	150,000	2,700,000
2BR	2	160,000	320,000	160,000	320,000
3BR		160,000		160,000	
	<u>20</u>		<u>3,020,000</u>	<u>150,000</u>	<u>3,000,000</u>

TCAC Self-Scoring Analysis

Criteria	Description	Max Possible	Points Calculated	Points Claimed	Comments		
Threshold	Housing Need / Market Study			x			
	Site Control			x			
	Financing Commitments			x			
	Local Approvals & Zoning			x			
	Finance Feasibility			x			
	Sponsor Experience			x			
	Construction Standards / Rehab per Unit			x			
	Deferred Financing 100% Committed			x			
	Project size and LIHTC limits			x			
Limiting Conditions	Builder Overhead & Profit <= 14%			x			
	Developer fee within limits			x			
	Threshold basis limit			x			
	Minimum DCR @ 115			x			
	Operating Expenses per u/w criteria			x			
1A	GP Experience	7	7	7			
1B	Management Co Experience	3	3	3			
2	Negative points		0	0			
3	Housing Needs:						
	Large Family	10	10	10	>50% homeless		
	Special Needs	10					
	Senior	10					
	At-Risk	10					
SRO	10						
4A	Site Amenities						
	1. Transit		7				
	2. Park		0				
	3. Library		0				
	4. Grocery		4				
	5. School (large family hsg type only)	15	0	15	confirm		
	6. Senior Center (senior hsg type only)		0				
	7. Special Needs (SN hsg type only)		0				
	8. Medical Clinic		2				
	9. Pharmacy		2				
	10. High Speed Internet		0				
11. New Const LF in High Opp area	0						
4B	Service Amenities						
	1. Service Coordinator			0		10	confirm
	2. Other Services Specialist			0			
	3. Adult educational classes			5			
	4. Health & wellness or skill building classes		5				
	5. Licensed child care		0				
6. After school programs for children		0					

	For SN & SRO Only:			
	7. Case Manager		10	0
	8. Service Coordinator			0
	9. Adult educational, health, skill building classes			0
	10. Health or behavioral health services			0
	11. Licensed child care			0
	12. After school programs for children			0
5	Reserved			
6	Income Targets		52	52.0
7	Readiness		10	10
8	Miscellaneous Policies			
	A. State credit substitute	2		
	B. Universal Design	2		
	C. Smoke Free	2	2	2
	D. Historic Preservation	1		
	E. QCT	2		
	F. Eventual Tenant Ownership	1		
	Total		109	109

Tiebreaker:

	If in LA or SF, evidence of City support letter		Y	
A.	Committed public financing			13,156,050
	Value of Rent Differential			0
	Project Size Boost	48 Total TC Units .75% + #TC units/200	0.00%	13,156,050
	Total development Cost			37,078,837
	Ratio			35.48%
B.	Total basis eligible project costs			34,128,000
	Eligible Basis Limit per TCAC methodology			31,951,271
	Less: Voluntary Reduction			10,583,750
	Requested Eligible Basis			21,367,521
	Total Development Cost			37,078,837
	Requested eligible basis : TDC			57.63%
	(1-Ratio)/2			21.19%
C.	New Construction Large Family			
	Non-Rural - in Highest Resource Area	20.00%	N	0.00%
	Non-Rural - in High Resource Area	10.00%	N	0.00%
	Rural - Highest Resource census tract	10.00%	N	0.00%
	Rural - High Resource census tract	5.00%	N	0.00%
D.	Sum of A, B and C			56.668% (Higher is better)

Criteria	Description	Max Possible	Points Calculated	Points Claimed	Points Awarded	Comments																																																																																																						
Sec. 111 (b)	Project Serves HH at lowest AMI	30		30		See TCAC 9% Matrix At least 10% of units must be <=30AMI Units w/ PBV will be scored at PBV AMI limit, not proposed limit																																																																																																						
	Total Restricted Units		47																																																																																																									
	20% AMI		0.00%																																																																																																									
	25% AMI		0.00%																																																																																																									
	30% AMI		46.81%		30																																																																																																							
	35% AMI		0.00%																																																																																																									
	40% AMI		0.00%																																																																																																									
	45% AMI		0.00%																																																																																																									
	50% AMI		0.00%																																																																																																									
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	35%	4.4*	8.75	13.15	17.5	18.75	25	27.5	30																																																																																																			
	30%	3.75*	7.5	11.25	15	16.75	22.5	25	30																																																																																																			
	25%	3.15*	6.25	9.4	12.5	15.65	18.75	21.9	25																																																																																																			
	20%	2.5*	5	7.5	10	12.5	15	17.5	20																																																																																																			
	15%	1.9*	3.75	5.65	7.5	9.4	11.25	13.1	15																																																																																																			
	Sec. 111 (c)	State Policy Priorities	17		10																																																																																																							
	(1) Located in High/Highest Resource Area	5		0																																																																																																								
	(2) % of Assisted units for NS or Ag pops	10		10		Senior not eligible unless it has at least 25% SN units 25%+ = 10, 16-25% = 9, 10-15% = 8 See regs for FWHG, VHHP, and rehab project details New Const project on state ground lease per E.O. N-06-19																																																																																																						
	(3) Public Excess Land	2		0																																																																																																								
Sec. 111 (d)	Development Team Experience	20		15																																																																																																								
	Applicant Experience (for IIG)	15		10		3-4 in service >3 yrs, including 1>5 yrs & 2 with HCD / LIHTC reg agmt = 10 5+ in service >3 yrs, including 1>5 yrs & 2 with HCD / LIHTC reg agmt = 15 For SN Projects: 4+SN >3yrs including 1 with HCD / LIHTC reg agmt = 15 For Comm based dev: 4+ >3yrs including 1 with HCD/LIHTC reg agmt = 15 Tribal Entities: see regs for special rules																																																																																																						
	Sponsor Experience (for MHP & Other)																																																																																																											
	Property Management	5		5		6-10>3 = 3, 11+>3 = 5, SN or Comm Based 4+>3 = 5																																																																																																						
	Negative Points	0		0		Per HCD Determination & Negative Points Policy																																																																																																						
Sec. 111 (e)	Readiness to Proceed	20		20																																																																																																								
	100% of Construction financing committed	5		5		assume this is committed by LACDA/LAHD before HCD submittal																																																																																																						
	100% of Permanent financing committed (incl PBV)	5		5		assume this is committed by LACDA/LAHD before HCD submittal																																																																																																						
	Land Use Approvals	5		5		Has all discretionary land use approvals = 5 Application pending under by-right local process = 4 AICP letter stating non-discretionary eligible = 1																																																																																																						

	10%	1.25*	2.5	3.75	5	6.25	7.5	8.75	10
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To receive any points in this category, at least 10 percent of the Restricted Units must be restricted to households with incomes not exceeding 30 percent of AMI.

Environmental Approvals
 Organization Docs - all entities formed
 TCAC Hybrid Project - point deduction

2	2
3	3
-5	0

CEQA complete or exempt

Sec. 111 (f) Adaptive Reuse/Infill/Amenities/Sustainable Bldg Methods

21	20
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(1a) Infill Development

5	5
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At least 75% of site was previously developed, or
 At least 75% of site abuts developed urban sites, or
 At least 50% meets each of prior criteria

OR:

(1b) Net Density

0

non-metro city/county = 20 DUA
 unincorporated non-metro county = 15 DUA
 Suburban = 25 dua
 Metro county = 34 dua
 Rural = 15 dua

(2) Proximity to Amenities

Location amenities
 Transit

5	5
1	0

1/3 point per TCAC amenity (i.e., TCAC 15 points = 5 points here)
 within 1/4 mile of Transit Station or Major Transit Stop

(3) Broadband Access
 Free internet

5	5
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100mbs download & 20mbs upload w training & access programs

(4) Sustainable Bldg Methods

5	5
---	---

assume LEED Gold
 Complies with CARB reduction plan = 2.5 (letter req'd)
 Project supports a regional plan = 2.5 (letter req'd)
 At least 50% of project land is in a Transit Priority Area = 2.5 (letter req'd)
 Project is CalGreen tier 2, LEED/Green Point Rated Gold, Energy Star Certif
 Near electrification = 2 of 3 major appliance are electric = 3
 All electric with no gas connection = 5

Sec. 111 (g) Cost Containment

5	0
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Project Eligible Basis 34,128,000 -6.81%
 TCAC Basis Limit 31,951,271

5	0
---	---

1 point per full % below TB limit
 CDLAC bond adjustment factor is limited to 80%

Total

113	95
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PER NOFA MINIMUM SCORE = 85

Sec. 111 (h) TIEBREAKER

(1) Lowest wtd avg AMI of all units
 Factor

AMI	Studio	1BR	2BR	3BR	4BR+
	1.1	1	0.75	0.5	0.25

Units

30.00%	0	1	2	2	0	3.5
0.00%	0	1	1.5	1	0	
	0.00%	30.00%	45.00%	30.00%	0.00%	1.05

Units

30.00%	0	5	0	0	0	5
0.00%	0	5	0	0	0	
	0.00%	150.00%	0.00%	0.00%	0.00%	1.5

Units

30.00%	0	12	0	0	0	12
0.00%	0	12	0	0	0	
	0.00%	360.00%	0.00%	0.00%	0.00%	3.6

Units

60.00%	0	3	12	10	0	17
0.00%	0	3	9	5	0	
	0.00%	180.00%	540.00%	300.00%	0.00%	10.2

b. Sum of Products 16.35
 c. Total Adjusted Units 37.50
 d. Average Affordability 43.60%
Tiebreaker #1 56.40%

- Lowest weighted average affordability of all residential units.
 - Multiply each income limit applicable to the Project by the number of adjusted residential Units restricted at that income level (market rate units, which do not include units subject to rent and/or occupancy restrictions at 70 percent or 80 percent AMI, shall be designated 100 percent AMI). Unrestricted Manager's Unit(s) are excluded from this calculation.

To calculate adjusted residential Units, multiply the residential Units of a Unit Type (bedroom count) by the following adjustment factors:

Unit Type	Adjustment Factor
Studio/SRO	1.10
1-Bedroom	1.00
2-Bedroom	0.75
3-Bedroom	0.50
4-Bedroom or larger	0.25

For purposes of this calculation:

- Units with federal project-based rental assistance shall be assigned targeted rent levels of 30 percent AMI regardless of their actual income targeting; and
- If the average affordability of all unadjusted residential Units, exclusive of units with rental assistance, is less than 40 percent AMI, then the

(2) Leverage of Other Funds

Permanent local soft funds, fee waivers	8,706,050
Land donation (per appraisal)	0
Capitalized PBV rent benefit per TCAC	<u>0</u>
	8,706,050
Project Development Cost	37,078,837

(3) Additional Cost Containment

Cost containment factor per scoring (g)	-6.81%
Less 5	<u>5.00%</u>
= Additional Cost points	0.00%

Tiebreaker #2 **23.48%**

Tiebreaker #3 **0.00%**

TOTAL TIEBREAKER **79.88%**

calculation shall assume a targeted rent level of 40 percent AMI for each residential Unit that does not have rental assistance.

- b. Add the products calculated pursuant to the previous paragraph.
- c. Divide the sum calculated pursuant to the previous paragraph by the total number of adjusted residential Units in the Project to obtain the average affordability.
- d. Subtract (c) from 1.0.

confirm this against the universal application workbook when complete