

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

Tax-Exempt Bond Project

October 10, 2012

Project Number CA-12-869

Project Name Wagon Wheel Family Apartments
Site Address: Intersection of Buckaroo Avenue and Winchester Drive
Oxnard, CA 93030 County: Ventura
Census Tract: 30.010

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,047,146	\$0
Recommended:	\$1,047,146	\$0

Applicant Information

Applicant: CRFL Family Apartments, LP
Contact: Carl Renezeder
Address: 16441 Scientific Way, Ste. #250
Irvine, CA 92618
Phone: 949-719-9040 Fax: 949-861-8696
Email: carlr@oakwooddev.com

General partner(s) or principal owner(s): CRFL Housing Partners, LLC
Wagon Wheel LLC
General Partner Type: Joint Venture
Developer: Oakwood Communities, Inc.
Investor/Consultant: Boston Financial
Management Agent: Cabrillo Economic Dev. Corp.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 5
Total # of Units: 120
No. & % of Tax Credit Units: 119 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax-Exempt
HCD MHP Funding: No
55-Year Use/Affordability: Yes
Number of Units @ or below 35% of area median income: 41
Number of Units @ or below 50% of area median income: 49
Number of Units @ or below 60% of area median income: 29

Bond Information

Issuer: CSCDA
 Expected Date of Issuance: September 26, 2012
 Credit Enhancement: None

Information

Housing Type: Large Family
 Geographic Area: Central Coast Region
 TCAC Project Analyst: Benjamin Schwartz

Unit Mix

34 1-Bedroom Units
 38 2-Bedroom Units
 30 3-Bedroom Units
 18 4-Bedroom Units

 120 Total Units

<u>Unit Type & Number</u>	<u>2012 Rents Targeted % of Area Median Income</u>	<u>2012 Rents Actual % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
12 1 Bedroom	30%	30%	\$502
3 1 Bedroom	50%	35%	\$586
2 1 Bedroom	50%	40%	\$670
7 1 Bedroom	50%	50%	\$838
10 1 Bedroom	60%	60%	\$1,005
16 2 Bedrooms	30%	30%	\$603
1 2 Bedrooms	50%	35%	\$703
5 2 Bedrooms	50%	40%	\$804
10 2 Bedrooms	50%	50%	\$1,004
5 2 Bedrooms	60%	59%	\$1,183
8 3 Bedrooms	30%	30%	\$696
3 3 Bedrooms	50%	35%	\$812
5 3 Bedrooms	50%	45%	\$1,045
8 3 Bedrooms	50%	49%	\$1,134
6 3 Bedrooms	60%	57%	\$1,335
5 4 Bedrooms	30%	30%	\$777
1 4 Bedrooms	50%	35%	\$906
2 4 Bedrooms	50%	40%	\$1,036
2 4 Bedrooms	50%	49%	\$1,273
8 4 Bedrooms	60%	58%	\$1,497
1 2 Bedrooms	Manager's Unit	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost:	\$32,719,597
Estimated Residential Project Cost:	\$32,719,597

Construction Financing

Source	Amount
Citi Community Capital	\$18,000,000
City of Oxnard RDA Loan	\$14,267,022
Tax Credit Equity	\$452,575

Residential

Construction Cost Per Square Foot:	\$100
Per Unit Cost:	\$272,663

Permanent Financing

Source	Amount
Citi Community Capital	\$7,100,000
City of Oxnard RDA Loan	\$14,267,022
Deferred Developer Fee	\$881,113
Tax Credit Equity	\$10,471,462
TOTAL	\$32,719,597

Determination of Credit Amount(s)

Requested Eligible Basis:	\$25,330,097
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$32,929,126
Applicable Rate:	3.20%
Total Maximum Annual Federal Credit:	\$1,047,146
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$1.00000

Per Regulation Section 10322(i)(4)(A), 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, will be used during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits.

Per Regulation Section 10327(c)(2)(C), Once established at the initial funded application, the developer fee cannot be increased, but may be decreased, in the event of a modification in basis.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	\$25,330,097
Actual Eligible Basis:	\$25,330,097
Unadjusted Threshold Basis Limit:	\$33,240,824
Total Adjusted Threshold Basis Limit:	\$69,473,322

Adjustments to Basis Limit:

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income Units are Income Targeted between 50% AMI & 36% AMI: 41%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income Units are Income Targeted at 35% AMI or Below: 68%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC’s underwriting guidelines and TCAC limitations. Annual operating expenses meet the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.20% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Special Issues/Other Significant Information: None

Local Reviewing Agency:

The Local Reviewing Agency, City of Oxnard, has completed a site review of this project and strongly supports this project.

Recommendation: Staff recommends that the Committee make a preliminary reservation of tax credits in the following amount(s) contingent upon standard conditions and any additional conditions imposed by the Committee:

Federal Tax Credits/Annual	State Tax Credits/Total
\$1,047,146	\$0

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

The IRS has advised TCAC that the amount of tax-exempt bonds issued, equivalent to at least 50% of aggregate basis, must remain in place through the first year of the credit period or until eligible basis is finally determined.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

Additional Conditions: None