

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**2019 First Round**  
**June 12, 2019**

Arboleda Apartments, located at 1040 N. Unruh Avenue in La Puente, requested and is being recommended for a reservation of \$2,080,552 in annual federal tax credits and \$6,935,172 in total state tax credits to finance the new construction of 73 units of housing serving seniors with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Meta Housing Corporation and will be located in Senate District 22 and Assembly District 57.

**Project Number** CA-19-040

**Project Name** Arboleda Apartments  
**Site Address:** 1040 N Unruh Avenue  
La Puente, CA 91744 County: Los Angeles  
**Census Tract:** 4076.010

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,080,552	\$6,935,172
Recommended:	\$2,080,552	\$6,935,172

\* The applicant made an irrevocable election not to sell (Certificate) any portion of the state credits.

**Applicant Information**

**Applicant:** Unruh 1040, L.P.  
**Contact:** Chris Maffris  
**Address:** 11150 W. Olympic Boulevard, Suite 620  
Los Angeles, CA 90064  
**Phone:** (310) 575-3543  
**Email:** cmaffris@metahousing.com

**General Partner(s) / Principal Owner(s):** WCH Affordable XLVIII, LLC  
Unruh 1040, LLC

**General Partner Type:** Joint Venture

**Parent Company(ies):** Meta Housing Corporation  
Western Community Housing, Inc.

**Developer:** Meta Housing Corporation

**Investor/Consultant:** Boston Financial Investment Management, LP

**Management Agent(s):** WSH Management

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 1  
 Total # of Units: 74  
 No. & % of Tax Credit Units: 73 100%

**Proj** Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: N/A

**Information**

Set-Aside: N/A  
 Housing Type: Seniors  
 Geographic Area: Balance of Los Angeles County  
 TCAC Project Analyst: Diane SooHoo

**55-Year Use / Affordability**

<b>Aggregate Targeting Number of Units</b>	<b>Percentage of Affordable Units</b>
At or Below 30% AMI: 8	10%
At or Below 40% AMI: 26	35%
At or Below 60% AMI: 39	50%

**Unit Mix**

59 1-Bedroom Units  
 15 2-Bedroom Units  


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 74 Total Units

<b>Unit Type &amp; Number</b>	<b>2018 Rents Targeted % of Area Median Income</b>	<b>2018 Rents Actual % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
6 1 Bedroom	30%	30%	\$545
26 1 Bedroom	40%	40%	\$727
27 1 Bedroom	60%	60%	\$1,091
2 2 Bedrooms	30%	30%	\$654
12 2 Bedrooms	60%	60%	\$1,309
1 2 Bedrooms	Manager's Unit	Manager's Unit	\$2,182

**Project Cost Summary at Application**

Land and Acquisition	\$3,645,250
Construction Costs	\$16,231,926
Rehabilitation Costs	\$0
Construction Contingency	\$1,109,336
Relocation	\$0
Architectural/Engineering	\$1,718,000
Const. Interest, Perm. Financing	\$1,635,950
Legal Fees	\$215,000
Reserves	\$185,847
Other Costs	\$1,749,284
Developer Fee	\$2,180,000
Commercial Costs	\$0
<b>Total</b>	<b>\$28,670,593</b>

**Residential**

Construction Cost Per Square Foot:	\$247
Per Unit Cost:	\$387,440
True Cash Per Unit Cost*:	\$384,849

**Construction Financing**

Source	Amount
Citibank, N.A.	\$14,500,000
Boston Financial	\$12,656,691
Deferred Costs and Developer Fee	\$1,513,902

**Permanent Financing**

Source	Amount
Citibank, N.A.	\$3,165,470
Deferred Developer Fee	\$191,741
Tax Credit Equity	\$25,313,382
<b>TOTAL</b>	<b>\$28,670,593</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$23,117,241
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$23,117,241
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,080,552
Total State Credit:	\$6,935,172
Maximum Annual Federal Credit, Acquisition:	\$2,180,000
Approved Developer Fee in Eligible Basis:	\$1,400,000
Investor/Consultant:	Boston Financial Investment Management, LP
Federal Tax Credit Factor:	\$0.95000
State Tax Credit Factor:	\$0.80000

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.

**Eligible Basis and Basis Limit**

Requested Unadjusted Eligible Basis:	\$23,117,241
Actual Eligible Basis:	\$23,311,679
Unadjusted Threshold Basis Limit:	\$19,377,827
Total Adjusted Threshold Basis Limit:	\$23,117,242

**Adjustments to Basis Limit**

- Parking Beneath Residential Units or On-Site Parking Structure of Two or More Levels
- Local Development Impact Fees
- 95% of Upper Floor Units are Elevator-Serviced

**Tie-Breaker Information**

First:	<b>Seniors</b>
Final:	<b>6.457%</b>

**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 or exceed 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 9.0% of the qualified basis, or, in the case of acquisition credit or credit combined with federal subsidies, 3.30%. 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.

**Significant Information / Additional Conditions:** None

**Resyndication and Resyndication Transfer Event:** None

**Legal Status**

Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

**Local Reviewing Agency**

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

**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.

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 performance deposit and allocation 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.

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 points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. 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)(2) at project completion.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>9</b>	<b>9</b>	<b>9</b>
General Partner Experience	6	6	6
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>
Within ¼ mile of transit, service every 30 min, 25 units/acre density	7	7	7
<b>Owner / Management Characteristics</b>	<b>2</b>	<b>2</b>	<b>2</b>
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>Sustainable Building Methods</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>NEW CONSTRUCTION/ADAPTIVE REUSE</b>			
Develop project in accordance w/ requirements: GreenPoint Rated Program	5	5	5
<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>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>113</b>	<b>113</b>	<b>113</b>

**Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.**

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