CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
October 16, 2019

Altrudy Lane Seniors, located at 18551 Altrudy Lane in Yorba Linda, requested and is being recommended for a reservation of $685,680 in annual federal tax credits to finance the new construction of 47 units of housing serving seniors with rents affordable to households earning 20-70% of area median income (AMI). The project will be developed by OHDC and C&C and will be located in Senate District 29 and Assembly District 55.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers and COSR through CalHFA. The project financing includes state funding from SNHP through CalHFA.

Project Number	CA-19-563		
Project Name	Altrudy Lane Seniors		
Site Address:	18551 Altrudy Lane		
	Yorba Linda, CA 92886	County:	Orange
Census Tract:	218.02		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$685,680	$0
Recommended:	$685,680	$0

Applicant Information

Applicant:	Yorba Linda Altrudy, LP
Contact:	Eunice Bobert
Address:	414 E. Chapman Avenue
	Orange, CA 92866
Phone:	(714) 771-1439
Email:	OHDC@ohdcorp.com

General Partner(s) or Principal Owner(s):	C&C Altrudy, LLC
	OHDC Altrudy, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	C&C Development
	Orange Housing Development Corporation
Developer:	OHDC and C&C Development
Investor/Consultant:	National Equity Fund Inc.
Management Agent:	Advanced Property Services, LLC

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	2
Total # of Units:	48
No. / % of Low Income Units:	47 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (8 units - 17%)

Bond Information

Issuer:	California Municipal Finance Authroity
Expected Date of Issuance:	February 24, 2020

Information

Housing Type:	Seniors
Geographic Area:	Orange County
TCAC Project Analyst:	Tiffani Negrete

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
20% AMI:	8	17%
30% AMI:	2	4%
50% AMI:	1	2%
60% AMI:	28	60%
70% AMI:	8	17%

Unit Mix

39	1-Bedroom Units
9	2-Bedroom Units
48	Total Units

Unit Type & Number		2019 Rents Targeted % of Area Median Income	2019 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
8	1 Bedroom	20%	13%	$280
2	1 Bedroom	30%	13%	$280
1	2 Bedrooms	50%	50%	$1,336
24	1 Bedroom	60%	60%	$1,335
4	2 Bedrooms	60%	60%	$1,603
5	1 Bedroom	70%	70%	$1,558
3	2 Bedrooms	70%	70%	$1,870
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application

Land and Acquisition	$4,364,896
Construction Costs	$9,186,977
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$653,023
Soft Cost Contingency	$219,323
Relocation	$0
Architectural/Engineering	$1,020,000
Const. Interest, Perm. Financing	$1,408,464
Legal Fees	$148,000
Reserves	$346,800
Other Costs	$1,871,968
Developer Fee	$2,011,626
Commercial Costs	$0
Total	**$21,231,077**

Residential

Construction Cost Per Square Foot:	$234
Per Unit Cost:	$442,314
True Cash Per Unit Cost*:	$439,118

Construction Financing

Source	Amount
Bank of America	$12,200,000
CalHFA SNHP	$1,300,000
City of Yorba Linda	$4,320,000
Costs Deferred Until Completion	$392,790
Deferred Developer Fee	$1,912,551
General Partner Equity	$100
Tax Credit Equity	$1,105,636

Permanent Financing

Source	Amount
Bank of America - Tranche A	$3,557,420
Bank of America - Tranche B	$1,161,600
HCD - No Place Like Home	$2,041,158
CalHFA SNHP	$1,300,000
City of Yorba Linda	$6,702,050
Deferred Developer Fee	$153,404
General Partner Equity	$100
Tax Credit Equity	$6,315,345
TOTAL	**$21,231,077**

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	$15,983,211
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$20,778,174
Applicable Rate:	3.30%
Maximum Annual Federal Credit:	$685,680
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,011,626
Investor/Consultant:	National Equity Fund Inc.
Federal Tax Credit Factor:	$0.92103

Except as allowed for projects basing cost on assumed third party debt, the "as if vacant" land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$15,983,211
Actual Eligible Basis:	$15,983,211
Unadjusted Threshold Basis Limit:	$13,655,778
Total Adjusted Threshold Basis Limit:	$19,664,320

Adjustments to Basis Limit

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 2%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 42%

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 3.30% 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.

Significant Information / Additional Conditions: None

Resyndication and Resyndication Transfer Event: None

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.

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.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.