CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
April 14, 2020

Villa Raymond Apartments, located at 455 North Raymond Avenue in Pasadena, requested and is being recommended for a reservation of $918,520 in annual federal tax credits to finance the acquisition and rehabilitation of 60 units of housing serving seniors with rents affordable to households earning 50%-60% of area median income (AMI). The project will be developed by Standard Property Company, Inc. and is located in Senate District 25 and Assembly District 41.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number	CA-20-534	
Project Name	Villa Raymond Apartments	
Site Address:	455 North Raymond Avenue	
	Pasadena, CA 91103	County: Los Angeles
Census Tract:	4619.01	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$918,520	$0
Recommended:	$918,520	$0

Applicant Information

Applicant:	Standard Villa Raymond Venture, LP
Contact:	Keith Dragoon
Address:	1901 Avenue of the Stars, Suite 395 Los Angeles, CA 90067
Phone:	(310) 464-1069
Email:	kdragoon@standard-companies.com

General Partner(s) or Principal Owner(s):	Standard Villa Raymond Manager, LP Housing on Merit XIII, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Standard Companies Housing on Merit
Developer:	Standard Property Company, Inc
Investor/Consultant:	Candeur Group, LLC
Management Agent:	AMC-CA, Inc.

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	1
Total # of Units:	61
No. / % of Low Income Units:	60 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Contract (60 units - 100%)

Bond Information

Issuer:	California Municipal Finance Authority
Expected Date of Issuance:	May 1, 2020

Information

Housing Type:	Seniors
Geographic Area:	Balance of Los Angeles County
TCAC Project Analyst:	Carmen Doonan

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	30	50%
60% AMI:	30	50%

Unit Mix

45 SRO/Studio Units
16 1-Bedroom Units
61 Total Units

Unit Type & Number		2019 Rents Targeted % of Area Median Income	2019 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
23	SRO/Studio	50%	50%	$913
22	SRO/Studio	60%	60%	$1,096
7	1 Bedroom	50%	50%	$979
8	1 Bedroom	60%	60%	$1,175
1	1 Bedroom	Manager’s Unit	Manager’s Unit	$2,255

Project Cost Summary at Application	
Land and Acquisition	$21,000,000
Construction Costs	$0
Rehabilitation Costs	$3,569,650
Construction Hard Cost Contingency	$356,965
Soft Cost Contingency	$0
Relocation	$61,000
Architectural/Engineering	$246,735
Const. Interest, Perm. Financing	$358,221
Legal Fees	$335,000
Reserves	$0
Other Costs	$105,196
Developer Fee	$3,698,116
Commercial Costs	$0
Total	**$29,730,882**

Residential	
Construction Cost Per Square Foot:	$124
Per Unit Cost:	$487,392
True Cash Per Unit Cost*:	$445,765

Construction Financing

Source	Amount
Jones Lang LaSalle - Tax Exempt	$17,559,000
Jones Lang LaSalle	$1,366,000
Developer Fee	$3,698,116
Tax Credit Equity	$7,107,766

Permanent Financing

Source	Amount
Jones Lang LaSalle - Tax Exempt	$17,559,000
Jones Lang LaSalle	$1,366,000
Deferred Developer Fee	$2,539,201
Tax Credit Equity	$8,266,681
TOTAL	**$29,730,882**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$4,910,500
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	$23,441,720
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$4,910,500
Qualified Basis (Acquisition):	$23,441,720
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$159,008
Maximum Annual Federal Credit, Acquisition:	$759,512
Total Maximum Annual Federal Credit:	$918,520
Approved Developer Fee (in Project Cost & Eligible Basis):	$3,698,116
Investor/Consultant:	Candeur Group, LLC
Federal Tax Credit Factor:	$0.90000

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:	$28,352,220
Actual Eligible Basis:	$28,352,220
Unadjusted Threshold Basis Limit:	$18,612,552
Total Adjusted Threshold Basis Limit:	$29,780,083

Adjustments to Basis Limit

95% of Upper Floor Units are Elevator-Serviced

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

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 3.24% 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

The project owner is paying for all utilities.

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.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

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.