

# **CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

## **Project Staff Report**

### **Tax-Exempt Bond Project**

**August 11, 2021**

Citrus Crossing, located at 900 E Broadway in Glendale, requested and is being recommended for a reservation of \$2,539,265 in annual federal tax credits and \$2,550,000 in total state tax credits to finance the new construction of 126 units of housing serving seniors with rents affordable to households earning 20-70% of area median income (AMI). The project will be developed by Meta Development LLC and will be located in Senate District 25 and Assembly District 43.

<b>Project Number</b>	CA-21-540	
<b>Project Name</b>	Citrus Crossing	
Site Address:	900 E Broadway	
	Glendale CA, 91205	County: Los Angeles
Census Tract:	3022.01	
<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,539,265	\$2,550,000
Recommended:	\$2,539,265	\$2,550,000

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

#### **Applicant Information**

Applicant:	900 E Broadway, L.P.
Contact:	Chris Maffris
Address:	11150 West Olympic Blvd, Suite 620 Los Angeles CA, 90064
Phone:	(301) 575-3543
Email:	cmaffris@metahousing.com
General Partner(s) or Principal Owner(s):	WCH Affordable LXIII, LLC 900 E Broadway, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Western Community Housing Meta Development, LLC
Developer:	Meta Development LLC
Bond Issuer:	California Public Finance Authority
Investor/Consultant:	Red Stone Equity Partners
Management Agent:	WSH Management, Inc.

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 1  
 Total # of Units: 127  
 No. / % of Low Income Units: 126 100.00%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Seniors  
 Geographic Area: Balance of Los Angeles County  
 TCAC Project Analyst: Sopida Steinwert

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>		<b>Percentage of</b>
<b>Number of Units</b>		<b>Affordable Units</b>
30% AMI:	13	10%
40% AMI:	13	10%
60% AMI:	31	25%
70% AMI:	69	55%

**Unit Mix**

87 SRO/Studio Units
39 1-Bedroom Units
1 2-Bedroom Units
<b>127 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2021 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
3 SRO/Studio	20%	\$406
6 SRO/Studio	30%	\$621
9 SRO/Studio	40%	\$812
22 SRO/Studio	60%	\$1,242
47 SRO/Studio	70%	\$1,449
1 1 Bedroom	20%	\$443
3 1 Bedroom	30%	\$665
4 1 Bedroom	40%	\$886
9 1 Bedroom	60%	\$1,330
22 1 Bedroom	70%	\$1,551
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$6,271,250
Construction Costs	\$37,725,735
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,876,287
Soft Cost Contingency	\$500,000
Relocation	\$0
Architectural/Engineering	\$1,893,870
Const. Interest, Perm. Financing	\$2,714,826
Legal Fees	\$305,000
Reserves	\$613,585
Other Costs	\$2,269,651
Developer Fee	\$3,325,917
Commercial Costs	\$0
<b>Total</b>	<b>\$57,496,120</b>

**Residential**

Construction Cost Per Square Foot:	\$475
Per Unit Cost:	\$452,725
True Cash Per Unit Cost*:	\$400,426

**Construction Financing**

Source	Amount
Citibank - Tax Exempt	\$28,000,000
Citibank - Taxable	\$5,000,000
Glendale Housing Authority	\$9,000,000
Glendale Housing Authority - Land	\$6,050,000
Deferred Operating Reserve	\$613,585
Deferred Costs	\$1,747,986
Tax Credit Equity	\$7,084,549

**Permanent Financing**

Source	Amount
Citibank - Tax Exempt	\$16,199,000
Glendale Housing Authority	\$9,000,000
Glendale Housing Authority (Land)	\$6,050,000
Deferred Developer Fee	\$591,956
Tax Credit Equity	\$25,655,165
<b>TOTAL</b>	<b>\$57,496,120</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$48,832,027
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$63,481,635
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,539,265
Total State Credit:	\$2,550,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,325,917
Investor/Consultant:	Red Stone Equity Partners
Federal Tax Credit Factor:	\$0.93000
State Tax Credit Factor:	\$0.80000

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

**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.

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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.