CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
June 15, 2022

The project, 8181 Allision, located at 8181 Allison Ave. in La Mesa, requested and is being recommended for a reservation of $2,673,139 in annual federal tax credits to finance the new construction of 146 units of housing serving non-targeted tenants with rents affordable to households earning 30-70% of area median income (AMI). The project will be developed by USA Multi-Family Development, Inc. and will be located in Senate District 38 and Assembly District 79.

Project Number	CA-22-461	
Project Name	8181 Allison	
Site Address:	8181 Allison Ave.	
	La Mesa, CA 91942	County: San Diego
Census Tract:	146.01	

Tax Credit Amounts	**Federal/Annual**	**State/Total** *
Requested:	$2,673,139	$0
Recommended:	$2,673,139	$0

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

Applicant Information

Applicant:	La Mesa 694, L.P.
Contact:	Darren Bobrowsky
Address:	3200 Douglas Blvd., Suite 200 Roseville, CA 95661
Phone:	(916) 865-3981
Email:	dbobrowsky@usapropfund.com

General Partner(s) or Principal Owner(s):	USA La Mesa 694, Inc. Riverside Charitable Corporation
General Partner Type:	Joint Venture
Parent Company(ies):	USA Properties Fund, Inc. Riverside Charitable Corporation
Developer:	USA Multi-Family Development, Inc.
Bond Issuer:	CalHFA
Investor/Consultant:	WNC
Management Agent:	USA Multifamily Management, Inc.

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	147
No. / % of Low Income Units:	146 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt

Information

Housing Type:	Non-Targeted
Geographic Area:	San Diego County
CTCAC Project Analyst:	Cynthia Compton

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	30	21%
50% AMI:	30	21%
70% AMI:	86	59%

Unit Mix

103	1-Bedroom Units
44	2-Bedroom Units
147	Total Units

Unit Type & Number		2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
21	1 Bedroom	30%	$682
21	1 Bedroom	50%	$1,136
61	1 Bedroom	70%	$1,591
9	2 Bedrooms	30%	$818
9	2 Bedrooms	50%	$1,284
25	2 Bedrooms	70%	$1,909
1	2 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application

Land and Acquisition	$7,193,357
Construction Costs	$34,148,872
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$2,977,791
Soft Cost Contingency	$188,048
Relocation	$0
Architectural/Engineering	$2,016,677
Const. Interest, Perm. Financing	$4,512,031
Legal Fees	$85,000
Reserves	$521,243
Other Costs	$3,239,763
Developer Fee	$6,705,869
Commercial Costs	$0
Total	**$61,588,651**

Residential

Construction Cost Per Square Foot:	$242
Per Unit Cost:	$418,970
True Cash Per Unit Cost*:	$418,970

Construction Financing

Source	Amount
Citibank, N.A. - Tax Exempt	$31,000,000
Citibank, N.A. - Taxable	$10,000,000
City of La Mesa	$6,620,000
Deferred Costs	$7,286,972
Tax Credit Equity	$4,704,724

Permanent Financing

Source	Amount
CalHFA Permanent Loan	$20,895,000
CalHFA Mixed Inc. Pror. Loan	$4,500,000
City of La Mesa	$6,620,000
USA Multi-Family Dev., Inc.	$4,861,826
NOI prior to Conversion	$1,188,205
Tax Credit Equity	$23,523,620
TOTAL	**$61,588,651**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$51,411,664
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$66,835,163
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$2,673,139
Approved Developer Fee (in Project Cost & Eligible Basis):	$6,705,869
Investor/Consultant:	WNC
Federal Tax Credit Factor:	$0.88000

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.

Significant Information / Additional Conditions:
This Project's annual per unit opering expense total is below the CTCAC published per unit operating minimums of $6,100. As allowed by CTCAC regulation Seciont 10327(g)(1), CCTCAC approves an annual per unit operating expense total of $5,185 on agreement of the permanent lender and equity

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.

CTCAC 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 CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC 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 CTCAC 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, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, 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 CTCAC 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 CTCAC in its final feasibility analysis.

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