

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

**Project Staff Report
Tax-Exempt Bond Project
June 15, 2022**

The Meadows Seniors Apartments, located at 20621 Lake Forest Drive in Lake Forest, requested and is being recommended for a reservation of \$1,266,525 in annual federal tax credits and \$4,083,791 in total state tax credits to finance the new construction of 64 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by C&C Development Co., LLC and will be located in Senate District 37 and Assembly District 68.

Project Number CA-22-464

Project Name The Meadows Seniors Apartments
Site Address: 20621 Lake Forest Drive
Lake Forest, CA 92630 County: Orange
Census Tract: 524.22

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,266,525	\$4,083,791
Recommended:	\$1,266,525	\$4,083,791

* The applicant made an election to sell (Certificate) all or any portion of the state credits.

Applicant Information

Applicant: Riverside Charitable Corporation
Contact: Kenneth Robertson
Address: 14131 Yorba Street, Suite 204
Tustin, CA 92780
Phone: (714) 803 7200
Email: ksr@riversidecharitable.org

General Partner(s) or Principal Owner(s): Meadows CCR LLC
RCC MGP LLC

General Partner Type: Joint Venture
Parent Company(ies): C&C Development Co., LLC
Riverside Charitable Corporation

Developer: C&C Development Co., LLC
Bond Issuer: CSCDA
Investor/Consultant: National Equity Fund Inc.
Management Agent: Advanced Property Services Management, Inc.

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 65
 No. / % of Low Income Units: 64 100.00%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Seniors
 Geographic Area: Orange County
 TCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 9	14%
50% AMI: 37	58%
60% AMI: 18	28%

Unit Mix

52 1-Bedroom Units
13 2-Bedroom Units
<u>65 Total Units</u>

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
7 1 Bedroom	30%	\$286
2 2 Bedrooms	30%	\$908
30 1 Bedroom	50%	\$1,261
5 1 Bedroom	50%	\$1,067
2 2 Bedrooms	50%	\$1,201
10 1 Bedroom	60%	\$1,513
8 2 Bedrooms	60%	\$1,816
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,785,000
Construction Costs	\$14,855,714
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$742,786
Soft Cost Contingency	\$300,000
Relocation	\$0
Architectural/Engineering	\$1,020,000
Const. Interest, Perm. Financing	\$2,005,766
Legal Fees	\$148,000
Reserves	\$198,600
Other Costs	\$2,806,900
Developer Fee	\$3,176,902
Commercial Costs	\$0
Total	\$28,039,668

Residential

Construction Cost Per Square Foot:	\$232
Per Unit Cost:	\$431,380
True Cash Per Unit Cost*:	\$397,889

Construction Financing

Source	Amount
Bank of America - Tax Exempt	\$14,900,000
Bank of America - Taxable	\$3,304,626
Costs Deferred Until Completion	\$254,840
Deferred Developer Fee	\$2,926,902
Master Developer Contribution	\$2,760,000
General Partner Equity	\$100
Tax Credit Equity	\$3,893,200

Permanent Financing

Source	Amount
Bank of America - Tax Exempt	\$6,772,550
OC HFT - MHSA (F)	\$646,148
OC HFT - Local HFT (C)	\$546,172
Deferred Developer Fee	\$2,176,902
Master Developer Contribution	\$2,760,000
General Partner Equity	\$100
Tax Credit Equity	\$15,137,796
TOTAL	\$28,039,668

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$24,356,251
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$31,663,126
Applicable Rate:	4.00%
Maximum Annual Federal Credit:	\$1,266,525
Total Maximum Annual Federal Credit:	\$1,266,525
Total State Credit:	\$4,083,791
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,176,902
Investor/Consultant:	National Equity Fund Inc.
Federal Tax Credit Factor:	\$0.91148
State 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: 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.