

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

Residency at Empire I, located at 2814 W Empire Ave in Burbank CA, requested and is being recommended for a reservation of \$5,329,194 in annual federal tax credits and \$26,847,336 in total credits to finance the new construction of 145 units of housing serving large families and special needs tenants with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by ABS Properties, Inc. and will be located in Senate District 25 and Assembly District 43.

**Project Number** CA-22-517

**Project Name** Residency at Empire I  
**Site Address:** 2814 W Empire Ave  
 Burbank CA, 91504 County: Los Angeles  
**Census Tract:** 3105.01

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$5,329,194	\$26,847,336
Recommended:	\$5,329,194	\$26,847,336

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

**Applicant Information**

**Applicant:** Residency at Empire, LP  
**Contact:** Samir Srivastava  
**Address:** 5500 Hollywood Blvd., 4th Floor/West Wing  
 Los Angeles CA, 90028  
**Phone:** 213 268 2723  
**Email:** samir@absllc.org

**General Partner(s) or Principal Owner(s):** ABS Properties, Inc  
 Kingdom Development, Inc.  
**General Partner Type:** Joint Venture  
**Parent Company(is):** ABS Properties, Inc.  
 Kingdom Development, Inc.  
**Developer:** ABS Properties, Inc  
**Bond Issuer:** CalHFA  
**Investor/Consultant:** Boston Financial Investment Mgmt  
**Management Agent:** Hyder Property Management Professionals

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 1  
 Total # of Units: 148  
 No. / % of Low Income Units: 145 100.00%  
 Federal Set-Aside Elected: 40%/60% Average Income  
 Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Special Needs  
 Geographic Area: Balance of Los Angeles County  
 CTCAC Project Analyst: Nick White

**55-Year Use / Affordability**

<b>Aggregate Targeting Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI: 66	46%
50% AMI: 17	12%
60% AMI: 28	19%
80% AMI: 34	23%

**Unit Mix**

74 1-Bedroom Units
37 2-Bedroom Units
37 3-Bedroom Units
<b>148 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2021 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
66 1 Bedroom	30%	\$665
1 1 Bedroom	50%	\$1,108
4 1 Bedroom	80%	\$1,600
8 2 Bedrooms	50%	\$1,330
14 2 Bedrooms	60%	\$1,596
15 2 Bedrooms	80%	\$1,965
8 3 Bedrooms	50%	\$1,536
14 3 Bedrooms	60%	\$1,843
15 3 Bedrooms	80%	\$2,285
3 1 Bedroom	Manager's Unit	\$2,216

**Project Cost Summary at Application**

Land and Acquisition	\$19,980,000
Construction Costs	\$57,963,406
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$3,125,000
Soft Cost Contingency	\$800,000
Relocation	\$0
Architectural/Engineering	\$2,330,000
Const. Interest, Perm. Financing	\$11,409,904
Legal Fees	\$135,000
Reserves	\$604,000
Other Costs	\$5,644,946
Developer Fee	\$17,080,751
Commercial Costs	\$0
<b>Total</b>	<b>\$119,073,007</b>

**Residential**

Construction Cost Per Square Foot:	\$477
Per Unit Cost:	\$804,547
True Cash Per Unit Cost*:	\$697,917

**Construction Financing**

Source	Amount
ATAX - TE Bonds	\$61,000,000
ATAX - Recycled Bonds	\$18,000,000
ATAX - Taxable Bridge	\$7,063,450
Seller Carryback Loan	\$2,300,000
Deferred Developer Fee	\$13,481,270
Deferred Construction Costs	\$5,796,341
Deferred Perm Costs	\$948,221
Tax Credit Equity	\$10,730,826

**Permanent Financing**

Source	Amount
CalHFA ATAX	\$14,000,000
CalHFA Recycled ATAX	\$18,000,000
Seller Carryback	\$2,300,000
Deferred Developer Fee	\$13,481,270
Tax Credit Equity	\$71,291,737
<b>TOTAL</b>	<b>\$119,073,007</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$102,484,506
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$133,229,858
Applicable Rate:	4.00%
Maximum Annual Federal Credit:	\$5,329,194
Total State Credit:	\$26,847,336
Approved Developer Fee (in Project Cost & Eligible Basis):	\$17,080,751
Investor/Consultant:	Boston Financial Investment Mgmt
Federal Tax Credit Factor:	\$0.97000
State Tax Credit Factor:	\$0.73000

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:**

Development costs are roughly \$804,547 per unit. The factors affecting this cost is average unit size, site amenities, continued escalation of labor material and fuel, prevailing wages, higher land cost and high hold cost to keep the commercial building vacant during the financing and predevelopment phases.

This Project's annual per unit operating expense total is below the CTCAC published per unit operating minimums of \$6,200. As allowed by CTCAC Regulation Section 10327(g)(1), CTCAC approves an annual per unit operating expense total of \$5,271 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.