

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**December 28, 2022**

Orchard View Senior Gardens, located at 8300 Valley View Street in Buena Park, requested and is being recommended for a reservation of \$1,875,713 in annual federal tax credits to finance the new construction of 65 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by National Community Renaissance of California and will be located in Senate District 32 and Assembly District 65.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Special Needs Housing Program (SNHP) through CalHFA.

**Project Number** CA-22-053

**Project Name** Orchard View Senior Gardens  
**Site Address:** 8300 Valley View Street  
Buena Park, CA 90620 County: Orange  
**Census Tract:** 1103.04

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,875,713	\$0
Recommended:	\$1,875,713	\$0

**Applicant Information**

**Applicant:** National Community Renaissance of California  
**Contact:** Mr. Ashley Wright  
**Address:** 9421 Haven Avenue  
Rancho Cucamonga, CA 91730  
**Phone:** (909) 483-2444  
**Email:** awright@nationalcore.org

**General Partner(s) / Principal Owner(s):** National Community Renaissance of California  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** National Community Renaissance of California  
**Developer:** National Community Renaissance of California  
**Investor/Consultant:** Hudson Capital  
**Management Agent(s):** National Community Renaissance of California

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 4  
**Total # of Units:** 66  
**No. & % of Tax Credit Units:** 65 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** HUD Section 8 Project-based Vouchers (8 Units - 12%)

**Information**

Set-Aside: Nonprofit (qualified nonprofit organization)  
 Housing Type: Seniors  
 Geographic Area: Orange County  
 CTCAC Project Analyst: Nick White

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	14	20%
At or Below 50% AMI:	30	40%
At or Below 60% AMI:	21	30%

**Unit Mix**

63 1-Bedroom Units
3 2-Bedroom Units
<u>66 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
8 1 Bedroom	30%	\$762
5 1 Bedroom	30%	\$252
29 1 Bedroom	50%	\$1,270
21 1 Bedroom	60%	\$1,524
1 2 Bedrooms	30%	\$915
1 2 Bedrooms	50%	\$1,525
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$807,853
Construction Costs	\$17,150,452
Rehabilitation Costs	\$0
Construction Contingency	\$997,915
Relocation	\$0
Architectural/Engineering	\$1,510,992
Const. Interest, Perm. Financing	\$1,500,451
Legal Fees	\$220,000
Reserves	\$268,451
Other Costs	\$1,436,569
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$26,092,683</b>

**Residential**

Construction Cost Per Square Foot:	\$284
Per Unit Cost:	\$395,344
True Cash Per Unit Cost*:	\$392,786

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
JPMorgan Chase	\$17,271,013	JPMorgan Chase	\$4,161,811
City of Buena Park	\$2,000,000	Orange County	\$453,600
CalHFA SNHP	\$1,259,848	City of Buena Park	\$2,000,000
OCHFT <sup>1</sup>	\$792,060	CalHFA SNHP	\$1,259,848
Deferred Costs	\$1,318,451	OCHFT <sup>1</sup>	\$792,060
Tax Credit Equity	\$3,451,311	Deferred Developer Fee	\$168,808
		Tax Credit Equity	\$17,256,556
		<b>TOTAL</b>	<b>\$26,092,683</b>

1. Orange County Housing Finance Trust

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$20,841,252
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$20,841,252
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,875,713
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Hudson Capital
Federal Tax Credit Factor:	\$0.92000

The “as if vacant” land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**Tie-Breaker Information**

First:	<b>Seniors</b>
Self-Score Final:	<b>28.857%</b>
CTCAC Final:	<b>28.929%</b>

**Significant Information / Additional Conditions**

The current legal description is part of a larger site and the project site’s parcel (legal description and APN) have not yet been finalized. The legal description and APN for CA-22-053 must be completed as part of the Placed in Service package.

Projects with funding and/or subsidy(ies) from HUD are required to use Utility Allowances(UAs) approved by HUD. The applicant’s use of the CUAC for CA-22-053 Orchard View Senior Gardens is subject to approval by

**Resyndication and Resyndication Transfer Event: None.**

**Local Reviewing Agency**

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

**Standard Conditions**

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	4	4	4
Within ½ mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of medical clinic or hospital	2	2	2
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.**

**DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.**