

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

Tax-Exempt Bond Project

May 10, 2023

Crest on Imperial, located at 101 50th Street in San Diego, requested and is being recommended for a reservation of \$2,090,432 in annual federal tax credits and \$3,468,369 in total state tax credits to finance the new construction of 99 units of housing serving families with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by MAAC, Inc and will be located in Senate District 40 and Assembly District 79.

Project Number CA-23-469

Project Name Crest on Imperial
Site Address: 101 50th Street
San Diego, CA 92113
County: San Diego
Census Tract: 33.04

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,090,432	\$3,468,369
Recommended:	\$2,090,432	\$3,468,369

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

Applicant Information

Applicant: Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County, Inc.
Contact: Christopher Ramirez
Address: 1355 Third Avenue
Chula Vista, CA 91911
Phone: (619) 426-3595
Email: REDFunding@maacproject.org

General Partner(s) or Principal Owner(s): MAAC Crest LLC
MAAC, Inc
General Partner Type: Joint Venture
Parent Company(ies): MAAC, Inc
Developer: MAAC, Inc
Bond Issuer: CalHFA
Investor/Consultant: Hunt Capital Partners, LLC
Management Agent: MAAC, Inc
Barker Management, Inc

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 100
 No. / % of Low Income Units: 99 100.00%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Large Family
 Geographic Area: San Diego County
 CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	11	11%
50% AMI:	11	11%
60% AMI:	58	59%
80% AMI:	19	19%

Unit Mix

68 2-Bedroom Units
32 3-Bedroom Units
<u>100 Total Units</u>

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
7 2 Bedrooms	30%	\$878
7 2 Bedrooms	50%	\$1,463
50 2 Bedrooms	60%	\$1,756
3 2 Bedrooms	80%	\$2,342
4 3 Bedrooms	30%	\$1,015
4 3 Bedrooms	50%	\$1,691
8 3 Bedrooms	60%	\$2,030
16 3 Bedrooms	80%	\$2,707
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$6,176,380
Construction Costs	\$24,928,370
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,269,419
Soft Cost Contingency	\$308,239
Relocation	\$0
Architectural/Engineering	\$1,959,509
Const. Interest, Perm. Financing	\$5,141,215
Legal Fees	\$415,000
Reserves	\$445,045
Other Costs	\$3,389,380
Developer Fee	\$5,243,559
Commercial Costs	\$0
Total	\$49,276,116

Residential

Construction Cost Per Square Foot:	\$263
Per Unit Cost:	\$492,761
True Cash Per Unit Cost*:	\$450,726

Construction Financing

Source	Amount
Citibank Tax-Exempt	\$23,805,269
Citibank Recycled Bonds	\$4,927,612
Citibank Taxable	\$4,700,964
Muy Bonita Development	\$450,000
Seller Carryback Loan	\$1,460,000
Accrued Interest	\$173,000
Deferred Costs	\$2,339,779
Deferred Developer Fee	\$2,743,559
Tax Credit Equity	\$8,675,933

Permanent Financing

Source	Amount
Citibank	\$19,105,088
Muy Bonita Development	\$450,000
Seller Carryback Loan	\$1,460,000
Master Developer Loan	\$2,627,658
Income From Operations	\$954,896
Accrued Interest	\$245,083
Deferred Developer Fee	\$2,743,559
Tax Credit Equity	\$21,689,832
TOTAL	\$49,276,116

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$40,200,617
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$52,260,802
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,090,432
Total State Credit:	\$3,468,369
Approved Developer Fee (in Project Cost & Eligible Basis):	\$5,243,559
Investor/Consultant:	Hunt Capital Partners, LLC
Federal Tax Credit Factor:	\$0.88991
State Tax Credit Factor:	\$0.89000

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.

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

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.

If points were awarded by CDLAC for housing type, the project shall comply with the housing type requirements at the time of CTCAC's Placed In Service review. The housing type requirement shall be conditioned in the CTCAC Regulatory Agreement and CTCAC Compliance staff shall verify the project is meeting those housing type requirements, consistent with California Code of Regulations, title 4, section 10322(i).