

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
December 10, 2025**

USA Tustin Legacy - Building 5, located at Warner Avenue and Legacy Road in Tustin on a 2.9 acre site, requested and is being recommended for a reservation of \$4,673,131 in annual federal tax credits and \$23,300,000 of tax-exempt bond cap to finance the new construction of 180 units of housing, consisting of 178 restricted rental units and 2 restricted manager's units. The project will have 86 one-bedroom units, 49 two-bedroom units, and 45 three-bedroom units, serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in May 2026 and be completed in January 2029. The project will be developed by USA Multi-Family Development, Inc. and will be located in Senate District 37 and Assembly District 73.

Project Number CA-25-703

Project Name USA Tustin Legacy - Building 5
Site Address: Warner Avenue and Legacy Road
Tustin, CA 92606
County: Orange
Census Tract: 0755.18

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$4,673,131	\$0
Recommended:	\$4,673,131	\$0

Tax-Exempt Bond Allocation
Recommended: \$23,300,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: USA Properties Fund, Inc.
Contact: Darren Bobrowsky
Address: 3200 Douglas Boulevard, Suite 200
Roseville, CA 95661
Phone: 916-865-3981
Email: dbobrowsky@usapropfund.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority
Bond Counsel: Anzel Galvan LLP
Private Placement Purchaser: Citibank, N.A.

Development Team
General Partners / Principal Owners: USA Tustin 738, Inc.
Riverside Charitable Corporation
General Partner Type: Joint Venture
Parent Companies: USA Properties Fund, Inc.
Riverside Charitable Corporation
Developer: USA Multi-Family Development, Inc.
Investor/Consultant: WNC & Associates, Inc.
Management Agent: USA Multifamily Management, Inc.

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 180
 No. / % of Low Income Units: 178 100.00%
 Average Targeted Affordability: 55.62%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Non-Targeted
 Geographic Area: Coastal Region
 State Ceiling Pool: New Construction
 CDLAC Project Analyst: Sarah Lester
 CTCAC Project Analyst: Gloria Witherow

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	19	11%
50% AMI:	21	12%
60% AMI:	138	78%

Unit Mix

86	1-Bedroom Units
49	2-Bedroom Units
45	3-Bedroom Units
180	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
9 1 Bedroom	30%	\$952
10 1 Bedroom	50%	\$1,586
67 1 Bedroom	60%	\$1,904
5 2 Bedrooms	30%	\$1,142
6 2 Bedrooms	50%	\$1,903
36 2 Bedrooms	60%	\$2,284
5 3 Bedrooms	30%	\$1,320
5 3 Bedrooms	50%	\$2,200
35 3 Bedrooms	60%	\$2,640
2 2 Bedrooms	Manager's Unit	\$2,284

Project Cost Summary at Application

Land and Acquisition	\$102,493
Construction Costs	\$53,373,995
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$5,193,405
Soft Cost Contingency	\$1,197,498
Relocation	\$0
Architectural/Engineering	\$2,612,068
Const. Interest, Perm. Financing	\$14,035,949
Legal Fees	\$150,000
Reserves	\$946,736
Other Costs	\$8,923,584
Developer Fee	\$11,721,900
Commercial Costs	\$0
Total	\$98,257,628

Residential

Construction Cost Per Square Foot:	\$342
Per Unit Cost:	\$545,876
Estimated Hard Per Unit Cost:	\$251,437
True Cash Per Unit Cost*:	\$489,087
Bond Allocation Per Unit:	\$129,444
Bond Allocation Per Restricted Rental Unit:	\$130,899

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citi Bank: Tax-Exempt	\$23,300,000	Citi Bank: Tax-Exempt	\$31,165,000
Citi Bank: Recycled Tax-Exempt	\$7,865,000	Citi Bank: Taxable	\$5,930,000
Citi Bank: Taxable	\$37,930,000	Tustin Legacy Acquisition LLC (TLA)	\$3,225,000
Tustin Legacy Acquisition LLC (TLA)	\$3,225,000	TLA: Impact Fees	\$1,426,149
TLA: Impact Fees	\$1,426,149	Transportation Corridor Agency	\$504,360
Deferred Costs	\$12,793,236	Net Operating Income	\$3,727,040
Net Operating Income	\$40,185	Deferred Developer Fee	\$10,221,900
Tax Credit Equity	\$8,411,636	Tax Credit Equity	\$42,058,179
		TOTAL	\$98,257,628

*Less Donated Land, Seller Carryback Loans, Waived Fees, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$89,867,902
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$116,828,273
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$4,673,131
Approved Developer Fee (in Project Cost & Eligible Basis):	\$11,721,900
Federal Tax Credit Factor:	\$0.90000

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.

CTCAC Significant Information / Additional Conditions: None.

CDLAC Analyst Comments: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

The applicant shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 25% 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.

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).

Point Criteria	New Const. Max. Points	Rehabilitation Max. Points	Points Scored
Preservation and Other Rehabilitation Project Priorities	0	20	0
New Construction Density and Local Incentives	10	0	10
Exceeding Minimum Income Restrictions	20	20	0
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	9
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	119

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.

Tie Breaker: 243.661%