

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
May 12, 2026**

Mercury Senior Apartments, located at Mercury Lane and Berry Street in Brea on a 1.01 acre site, requested and is being recommended for a reservation of \$1,996,914 in annual federal tax credits and \$11,500,000 of tax-exempt bond cap to finance the new construction of 85 units of housing, consisting of 84 restricted rental units and 1 unrestricted manager's unit. The project will have 68 one-bedroom units, and 17 two-bedroom units, serving seniors with rents affordable to households earning 30%-70% of area median income (AMI). The construction is expected to begin in October 2026 and be completed in August 2028. The project will be developed by C&C Development Co., LLC and will be located in Senate District 30 and Assembly District 59.

Project Number CA-26-453

Project Name Mercury Senior Apartments
Site Address: Mercury Lane and Berry Street
Brea, CA 92821
County: Orange
Census Tract: 0015.03

Tax Credit Amounts

	Federal/Annual	State/Total
Requested:	\$1,996,914	\$0
Recommended:	\$1,996,914	\$0

Tax-Exempt Bond Allocation

Recommended: \$11,500,000

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor: Mercury Brea LP
Contact: Todd Cottle
Address: 14211 Yorba Street, Suite 200
Tustin, CA 92780
Phone: 714 288-7600
Email: todd@c-cdev.com

Bond Financing Information

CDLAC Applicant/Bond Issuer: CMFA
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Bank of America, N.A.

Development Team

General Partners / Principal Owners:	C&C Mercury Brea LLC RCC MGP
General Partner Type:	Joint Venture
Parent Companies:	C&C Development Co., LLC Riverside Charitable Corporation
Developer:	C&C Development Co., LLC
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:	85	
No. / % of Low Income Units:	84	100.00%
Average Targeted Affordability:	60.00%	
Federal Set-Aside Elected:	40%/60% Average Income	
Federal Subsidy:	Tax-Exempt	

Information

Housing Type:	Seniors
Geographic Area:	Coastal Region
State Ceiling Pool:	New Construction
CDLAC Project Analyst:	Anthony Wey
CTCAC Project Analyst:	Sardar Habib

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	12	14%
50% AMI:	9	11%
60% AMI:	18	21%
70% AMI*:	45	54%

*CTCAC restricted only

Unit Mix

68	1-Bedroom Units
17	2-Bedroom Units
85	Total Units

Unit Type & Number	2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
5 1 Bedroom	30%	\$952
5 1 Bedroom	30%	\$952
2 2 Bedrooms	30%	\$1,142
7 1 Bedroom	50%	\$1,586
2 2 Bedrooms	50%	\$1,903
18 1 Bedroom	60%	\$1,904
33 1 Bedroom	70%	\$2,221
12 2 Bedrooms	70%	\$2,665
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,188,974
Construction Costs	\$24,402,828
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$386,818
Soft Cost Contingency	\$2,377,283
Relocation	\$0
Architectural/Engineering	\$1,225,000
Const. Interest, Perm. Financing	\$4,011,423
Legal Fees	\$340,000
Reserves	\$423,000
Other Costs	\$2,150,463
Developer Fee	\$5,008,980
Commercial Costs	\$0
Total	\$42,514,769

Residential

Construction Cost Per Square Foot:	\$328
Per Unit Cost:	\$500,174
Estimated Hard Per Unit Cost:	\$244,305
True Cash Per Unit Cost*:	\$443,105
Bond Allocation Per Unit:	\$135,294
Bond Allocation Per Restricted Rental Unit:	\$294,872

Construction Financing

Source	Amount
Bank of America: Tax-Exempt	\$11,500,000
Bank of America: Recycled Bonds	\$9,000,000
Bank of America: Taxable	\$11,088,928
City of Brea	\$2,331,800
Sponsor Loan	\$843,410
Deferred Impact Fee	\$659,311
Deferred Costs	\$511,800
Deferred Developer Fee	\$5,008,980
General Partner Equity	\$100
Tax Credit Equity	\$1,570,440

Permanent Financing

Source	Amount
Citi: Tax-Exempt	\$17,163,720
City of Brea	\$2,331,800
Sponsor Loan	\$843,410
Deferred Impact Fee	\$659,311
Deferred Developer Fee	\$4,850,828
General Partner Equity	\$100
Tax Credit Equity	\$16,665,600
TOTAL	\$42,514,769

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$38,402,186
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$49,922,842
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,996,914
Approved Developer Fee (in Project Cost & Eligible Basis):	\$5,008,980
Federal Tax Credit Factor:	\$0.83457

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 and the terms of the bond and tax credit award as presented in the application and summarized in this staff report. CTCAC will verify the project complied with all terms of the award at placed-in-service review.

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).

CA-26-453 / Mercury Senior Apartments

Points System	Max. Possible		Points Requested	Points Awarded
	New Const.	Rehab.		
New Construction Density and Local Incentives	10	0	10	10
Project meets CDLAC § 5105(c)(1)	10	0	10	10
Exceeding Minimum Income Restrictions	20	20	20	20
Tax Credit Units: 10% @ <=30% AMI & 10% @ <=50% AMI	20	0	20	20
Exceeding Minimum Rent Restrictions	10	10	10	10
Average targeted affordability is 11% below market comparables	10	10	10	10
General Partner & Management Company	10	10	10	10
General Partner Experience	7	7	7	7
Management Company Experience	3	3	3	3
Housing Needs	10	0	10	10
Readiness to Proceed	10	10	10	10
Access to Opportunity	10	0	9	9
10% @ 30% AMI, 10% @ 50% AMI	9	0	9	9
Service Amenities	10	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES; NON-TARGETED				
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3	3
Cost Containment	12	12	12	12
Project eligible basis is 37% less than the CDLAC adjusted TBL; 1 pt per %	12	12	12	12
Site Amenities	10	10	10	10
Within ½ mile of transit station or public bus stop	3	3	3	3
Within ½ mile of public park or community center open to general public	3	3	3	3
Within 1 mile of public library	2	2	2	2
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5	5
Senior project within ½ mile of daily operated senior center/facility	3	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3	3
Within 1 mile of a pharmacy	1	1	1	1
Total Points	112	102	111	111

Tie Breaker:

135.465%