

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2024 Second Round**

**October 2, 2024**

Lincoln Beach, located at 130 South Beach Boulevard in Anaheim, requested and is being recommended for a reservation of \$1,923,622 in annual federal tax credits to finance the new construction of 46 units of housing serving seniors with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Innovative Housing Opportunities and will be located in Senate District 29 and Assembly District 67.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-24-171

**Project Name** Lincoln Beach  
Site Address: 130 South Beach Boulevard  
Anaheim, CA 92804  
County: Orange  
Census Tract: 869.03

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,923,622	\$0
Recommended:	\$1,923,622	\$0

**Applicant Information**

Applicant: Lincoln Beach, LP  
Contact: Marisela Fuller  
Address: 501 North Golden Circle Drive, Suite 100  
Santa Ana, CA 92705  
Phone: 949-863-9740  
Email: mfuller@innovativehousing.com

General Partner(s) / Principal Owner(s): IHO-Lincoln Beach LLC  
General Partner Type: Nonprofit  
Parent Company(ies): Innovative Housing Opportunities  
Developer: Innovative Housing Opportunities  
Investor/Consultant: CREA LLC  
Management Agent(s): Trillium

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 47  
No. & % of Tax Credit Units: 46 100%  
Federal Set-Aside Elected: 20%/50%  
Federal Subsidy: HUD Section 8 Project-based Vouchers (46 Units - 100%)

**Information**

Set-Aside: N/A  
Housing Type: Seniors  
Geographic Area: Orange County  
CTCAC Project Analyst: Franklin Cui

**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:	46	80%

**Unit Mix**

46 1-Bedroom Units
1 2-Bedroom Units
<u>47 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
37 1 Bedroom	30%	\$767
9 1 Bedroom	30%	\$767
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,989,500
Construction Costs	\$20,155,492
Rehabilitation Costs	\$0
Construction Contingency	\$1,434,450
Relocation	\$0
Architectural/Engineering	\$1,299,608
Const. Interest, Perm. Financing	\$2,171,706
Legal Fees	\$1,276,670
Reserves	\$285,457
Other Costs	\$1,965,329
Developer Fee	\$2,500,000
Commercial Costs	\$0
<b>Total</b>	<b>\$34,078,212</b>

## Residential

Construction Cost Per Square Foot:	\$561
Per Unit Cost:	\$725,068
True Cash Per Unit Cost*:	\$651,634

### Construction Financing

Source	Amount
Citibank	\$17,611,884
Anaheim Housing Authority (AHA)	\$6,000,000
AHA: Land Donation	\$2,600,000
AHA: Site Prep Note	\$888,350
AHA: Transportation Note	\$60,959
Deferred Costs	\$4,320,390
Tax Credit Equity	\$2,596,629

### Permanent Financing

Source	Amount
Citibank	\$6,366,637
Anaheim Housing Authority	\$6,000,000
AHA: Land Donation	\$2,600,000
AHA: Site Prep Note	\$888,350
AHA: Transportation Note	\$60,959
Deferred Developer Fee	\$851,408
Tax Credit Equity	\$17,310,858
<b>TOTAL</b>	<b>\$34,078,212</b>

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

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,373,578
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$21,373,578
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,923,622
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	CREA LLC
Federal Tax Credit Factor:	\$0.89991

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>64.164%</b>
CTCAC Final:	<b>64.164%</b>

### Significant Information / Additional Conditions:

Staff noted a per unit cost of \$651,634. The applicant noted that the per unit cost is attributed to construction supply chain challenges - such as material shortages, increased demand, and logistics - as well as increased interest rates.

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

### Local Reviewing Agency

The Local Reviewing Agency, the City of Anaheim, has completed a site review of this project and strongly supports this project.

**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 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 ¼ mile of transit, service every 30 min, 25 units/acre density	7	7	7
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 ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	1
<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.**