

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
 CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
 Project Staff Report
 Qualified Private Activity Tax-Exempt Bond Project
 December 11, 2024**

Oak View Ranch Senior Apartments, located at 24960 Adams Avenue in Murrieta on a 1.47 acre site, requested and is being recommended for a reservation of \$1,737,117 in annual federal tax credits and \$19,066,355 of tax-exempt bond cap to finance the new construction of 81 units of housing, consisting of 80 restricted rental units and 1 unrestricted manager's unit. The project will have 72 one-bedroom units, and 9 two-bedroom units, serving special needs tenants with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in June 2025 and be completed in December 2026. The project will be developed by National Community Renaissance of California and will be located in Senate District 32 and Assembly District 71.

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

Project Number CA-24-754

Project Name Oak View Ranch Senior Apartments
 Site Address: 24960 Adams Avenue
 Murrieta, CA 92562
 County: Riverside
 Census Tract: 498.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,737,117	\$0
Recommended:	\$1,737,117	\$0

Tax-Exempt Bond Allocation
 Recommended: \$19,066,355

CTCAC Applicant Information
 CTCAC Applicant/CDLAC Sponsor: National Community Renaissance of California
 Contact: Lesley Hampton
 Address: 9692 Haven Avenue, Suite 100
 Rancho Cucamonga, CA 91730
 Phone: 909-204-3444
 Email: lhampton@nationalcore.org

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

Development Team
 General Partner(s) or Principal Owner(s): NCRC Murrieta Senior MGP LLC
 General Partner Type: Nonprofit
 Parent Company(ies): National Community Renaissance of California
 Developer: National Community Renaissance of California
 Investor/Consultant: Bank of America
 Management Agent: National Community Renaissance of California

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 81
 No. / % of Low Income Units: 80 100.00%
 Average Targeted Affordability: 39.99%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (40 Units - 50%) / American Rescue Plan Act (ARPA)

Information

Housing Type: Special Needs
 Geographic Area: Inland Empire Region
 State Ceiling Pool: New Construction
 Set Aside: Homeless Set Aside
 Homeless Set Aside Units: 40
 CDLAC Project Analyst: Sarah Lester
 CTCAC Project Analyst: Cynthia Compton

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	40	50%
40% AMI:	20	25%
60% AMI:	20	25%

Unit Mix

72 1-Bedroom Units
9 2-Bedroom Units
<u>81 Total Units</u>

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
35 1 Bedroom	30%	\$576
5 2 Bedrooms	30%	\$691
18 1 Bedroom	40%	\$769
2 2 Bedrooms	40%	\$922
19 1 Bedroom	60%	\$1,153
1 2 Bedrooms	60%	\$1,383
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,335,000
Construction Costs	\$21,989,307
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,094,466
Soft Cost Contingency	\$174,890
Relocation	\$0
Architectural/Engineering	\$1,375,000
Const. Interest, Perm. Financing	\$2,329,389
Legal Fees	\$90,000
Reserves	\$285,861
Other Costs	\$3,418,712
Developer Fee	\$4,357,317
Commercial Costs	\$0
Total	\$36,449,942

Residential

Construction Cost Per Square Foot:	\$289
Per Unit Cost:	\$449,999
Estimated Hard Per Unit Cost:	\$233,199
True Cash Per Unit Cost*:	\$430,799
Bond Allocation Per Unit:	\$235,387
Bond Allocation Per Restricted Rental Unit:	\$238,329

Construction Financing

Source	Amount
Bank of America: Tax-Exempt	\$19,066,355
MHA ¹ : Land	\$1,260,000
MHA ¹ : ARPA Grant	\$1,500,000
County of Riverside	\$3,227,147
Sponsor Loan: TRFF ² Grant	\$1,000,000
Fee Waiver	\$526,400
Accrued Interest	\$228,844
Deferred Costs	\$1,561,390
Developer Fee Contribution	\$2,152,202
Deferred Developer Fee	\$1,028,834
General Partner Equity	\$100
Tax Credit Equity	\$4,898,670

Permanent Financing

Source	Amount
Bank of America: Tax-Exempt	\$5,424,662
MHA ¹ : Land	\$1,260,000
MHA ¹ : ARPA Grant	\$1,500,000
County of Riverside	\$7,000,000
Sponsor Loan: TRFF ² Grant	\$1,000,000
Fee Wavier	\$526,400
Accrued Interest	\$228,844
Developer Fee Contribution	\$2,152,202
Deferred Developer Fee	\$1,028,834
General Partner Equity	\$100
Tax Credit Equity	\$16,328,900
TOTAL	\$36,449,942

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

¹Murrieta Housing Authority

²The Rauch Family Foundation

Determination of Credit Amount(s)

Requested Eligible Basis:	\$33,406,100
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$43,427,930
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,737,117
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,357,317
Federal Tax Credit Factor:	\$0.94000

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

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 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	20
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	10
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	120

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: 132.037%