



California Tax Credit Allocation Committee

CTCAC Committee Meeting
Wednesday, May 15, 2024
1:15 P.M. or Upon Adjournment
of the CDLAC Meeting



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

901 P Street, Suite 213A
Sacramento, CA 95814
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www.treasurer.ca.gov/ctcac

MEETING NOTICE AGENDA

MEETING DATE:
May 15, 2024

TIME:
**1:15 p.m. or upon Adjournment of the
California Debt Limit Allocation Committee Meeting**

LOCATION:
901 P Street, Room 102
Sacramento, CA 95814

BOARD MEMBERS (VOTING)

FIONA MA, CPA, CHAIR
State Treasurer

MALIA M. COHEN
State Controller

JOE STEPHENSHAW
Director of Finance

GUSTAVO VELASQUEZ
Director of HCD

TIENA JOHNSON HALL
Executive Director of CalHFA

DIRECTOR

MARINA WIAN
Executive Director

Members of the public are invited to participate in person, remotely via TEAMS, or by telephone.*

[Click here to Join TEAMS Meeting \(full link below\)](#)

Public Participation Call-In Number

(888) 557-8511

Participant Code:

5651115

The California Tax Credit Allocation Committee (CTCAC) may take action on any item.

Items may be taken out of order.

There will be an opportunity for public comment at the end of each item, prior to any action.

1. Call to Order and Roll Call

Action Item: **2. Approval of the Minutes of the April 3, 2024, Meeting**

Informational: **3. Executive Director's Report**
Presented by: Marina Wiant

Action Item: **4. Discussion and Consideration of appeals if filed under CTCAC Regulation Section 10330(b)(1), and if appeal is granted in its entirety, a Reservation of 2024 First Round Federal Nine Percent (9%) Low Income Housing Tax Credits (LIHTCs) – See Exhibit A for project list**
Presented by: Anthony Zeto

Action Item: **5. Recommendation for Reservation of 2024 First Round Federal 9% and State LIHTCs**
<https://www.treasurer.ca.gov/ctcac/2024/firstround/2024/9-percent-prelim.pdf>
Presented by: Carmen Doonan

6. Public Comment

7. Adjournment

FOR ADDITIONAL INFORMATION

CTCAC

901 P Street, Suite 213A, Sacramento, CA 95814

(916) 654-6340

This notice may also be found on the following Internet site:

www.treasurer.ca.gov/ctcac

*Interested members of the public may use the call-in number or TEAMS to listen to and/or comment on items before CTCAC. Additional instructions will be provided to participants once they call the indicated number or join via TEAMS. The call-in number and TEAMS information are provided as an option for public participation.

CTCAC complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities, and providing this notice and information given to the members of CTCAC in appropriate alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, please contact CTCAC staff no later than five calendar days before the meeting at (916) 654-6340. From a California Relay (telephone) Service for the Deaf or Hearing Impaired TDD Device, please call (800) 735-2929 or from a voice phone, (800) 735-2922.

Full TEAMS Link

https://teams.microsoft.com/l/meetup-join/19%3ameeting_NmYzNzNhYjltZTJiNC00NjlhLWEzYjAtMjQ2YzlxYmVINWRi%40thread.v2/0?context=%7b%22id%22%3a%223bee5c8a-6cb4-4c10-a77b-cd2eaeb7534e%22%2c%22oid%22%3a%22838e980b-c8bc-472b-bce3-9ef042b5569b%22%7d

Exhibit A

Appeals filed under Agenda Item 4

1. Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of 3300 Mission Street (CA-24-003) affecting the 2024 First Round Application for Reservation of Federal Nine Percent (9%) Low Income Housing Tax Credits (LIHTCs) in the **San Francisco County Region**.

- If the appeal to the disqualification for 3300 Mission Street (CA-24-003) is granted, 3300 Mission Street (CA-24-003) will be recommended for a Reservation of Federal 9% LIHTCs.

***At the time of this publication, it is not known the complete list of applicants who will file appeals for consideration by the California Tax Credit Allocation Committee (CTCAC). CTCAC staff has listed all potential, known appeals.**



California Tax Credit Allocation Committee

AGENDA ITEM 2

Approval of the Minutes of the

April 3, 2024, Meeting



California Tax Credit Allocation Committee

901 P Street, Room 102
Sacramento, CA 95814

April 3, 2024

CTCAC Committee Meeting Minutes

1. *Agenda Item: Call to Order and Roll Call*

The California Tax Credit Allocation Committee (CTCAC) meeting was called to order at 2:20 p.m. with the following Committee members present:

Voting Members: Patrick Henning, Chief Deputy Treasurer, for Fiona Ma, CPA, California State Treasurer, Chairperson
Evan Johnson for California State Controller Malia M. Cohen
Michele Perrault for Department of Finance (DOF) Director Joe Stephenshaw
Department of Housing and Community Development (HCD) Director Gustavo Velasquez
Tiena Johnson Hall, Executive Director for the California Housing Finance Agency (CalHFA)

Advisory Members: County Representative – VACANT
City Representative Brian Tabatabai – ABSENT

2. *Agenda Item: Approval of the Minutes of the February 12, 2024, Meeting – (Action Item)*

Chairperson Ma called for public comments:
None.

MOTION: Mr. Velasquez motioned to approve the minutes of the February 12, 2024, meeting, and Ms. Johnson Hall seconded the motion.

The motion passed unanimously via roll call vote.

3. *Agenda Item: Executive Director's Report*

Presented by: Marina Wiant

Marina Wiant, Executive Director, reported that Mayra Lozano has been promoted to Staff Services Manager II in the CTCAC Compliance Section. Mayra has been with CTCAC for nearly 19 years, starting as a Program Analyst in the Compliance Section, then as a Program Analyst in the Development Section, and the last five years as a Program Manager in the Compliance Section. CTCAC also has two new staff members in the Compliance Section, Kevin Thai and Ashley Lambert.

Staff submitted CTCAC's 2023 Annual Report to the Legislature last week in advance of the April 1 deadline, and it is available on CTCAC's website.

Since the last meeting, Ms. Wiant issued a memo to stakeholders and the public regarding Placed-in-Service application submission deadlines. The memo clarifies that there was a temporary

CTCAC Committee Meeting
April 3, 2024



California Tax Credit Allocation Committee

accommodation to address some of the challenges related to COVID-19, and effective June 1, 2024, CTCAC staff will expect Placed-in-Service documentation and requests for 8609 forms to be timely. Staff also issued final guidance on the Housing Supplier Diversity Reporting per AB 2873, which is also available on the CTCAC website.

Yesterday, HUD published the 2024 income limits for a variety of its housing programs, including the Housing Credit and Multifamily Bond programs. Staff will be incorporating the 2024 income limits for the Round 2 applications. Round 1 will continue to use the 2023 income limits because of the short turnaround time to make those updates to the application and because most of the development community has already prepared their applications based on the 2023 numbers.

Beginning in 2009, HUD restricted annual income limit growth by allowing increases only up to the greater of 5% of two times the percentage change in national median family income. This year, HUD issued an overall 10% limit on increases, which it is calling a “cap-on-cap.” Specifically, the income limit in any given area can increase no more than 10%, even if the change in the national median family income would otherwise result in an increase above that amount. As staff will discuss later in the agenda, they see this cap-on-cap as complementary to the rent increase cap being proposed in the final draft regulations.

Lastly, as part of Ms. Wiant’s duties as Executive Director of CTCAC, she is an appointed member of the California Interagency Council on Homelessness (Cal ICH) and attended their quarterly meeting last week.

Chairperson Henning called for public comments:
None.

- 4. Agenda Item: Resolution No. 23/24-08, recommendation of a Resolution Authorizing the Executive Director of the California Tax Credit Allocation Committee to sign Contracts and Interagency Agreements on behalf of the Committee, not to exceed \$500,000. – (Action Item)**

Chairperson Henning said this resolution is similar to the one adopted at the CDLAC meeting today.

Chairperson Henning called for public comments:
None.

MOTION: Ms. Johnson Hall motioned to adopt Resolution No. 23/24-08, and Ms. Perrault seconded the motion.

The motion passed unanimously via roll call vote.

- 5. Agenda Item: Resolution No. 23/24-09, recommendation of a Resolution Authorizing the Executive Director of the California Tax Credit Allocation Committee to sign an Interagency Agreement (Contract No. CTCAC04-23) with the State Treasurer’s Office on behalf of the Committee, not to exceed \$1,111,597, for Reimbursement for Executive and Support Services – (Action Item)**

Chairperson Henning said similar contracts are signed annually in order for the State Treasurer’s Office to support CTCAC.



California Tax Credit Allocation Committee

Chairperson Henning called for public comments:
None.

MOTION: Mr. Velasquez motioned to adopt Resolution No. 23/24-09, and Mr. Johnson seconded the motion.

The motion passed unanimously via roll call vote.

6. *Agenda Item: Resolution No. 23/24-10, Adoption of a Regular Rulemaking for Amendments to the Federal and State Low-Income Housing Tax Credit Programs (Cal. Code of Regs., tit. 4, §§ 10302-10337) (Health and Saf. Code, § 50199.17) – (Action Item)*
Presented by: Anthony Zeto

Mr. Zeto explained that staff initially published the proposed changes to the regulations on February 26, which started a public comment period of 21 days. Within that public comment period, staff held one public hearing on March 12 in Sacramento and virtually on Teams. The public comment period concluded at 5:00 p.m. on March 18, and staff received a total of 71 written and verbal comments during that period. Staff posted the final recommendations to the CTCAC website on March 27. Staff considered all the comments, and in some cases, revisions were made to the initial proposed changes. In other cases, staff proceeded with the initial proposed changes. There was one typographical error in Section 10328(a)(4)(A); that section currently reads: “The Executive Director may grant a waiver to exceed this limit provided that the owner shows that the proposed rent increase is necessary to ensure finance stability or fiscal integrity of the property.” That section should read “financial stability” instead of “finance stability.”

Ms. Wiant said staff tried to balance the comments received from the public and the comments made by the Committee at both the January and February meetings regarding the developer fee proposal. Regarding the annual rent cap, staff received significant feedback from stakeholders and tried to balance the needs of the residents living in affordable housing units with the needs of the development and investment communities to provide the right amount of flexibility in the event that a project has financial stability issues. For that reason, staff included a couple of additional exemptions, and there is a waiver provision in the event a project needs to exceed the rent cap for financial stability reasons. Staff appreciates the comments from the stakeholders who requested more detail about the waiver process, but it would have been challenging to include that detail in this regulations package. They would like to spend the next few months working with members of the public to develop a waiver process and present it to the Committee as part of another regulations package later this year.

Mr. Velasquez expressed appreciation for Ms. Wiant’s willingness to explore what the waiver process would look like. He asked her to explain how the waiver process would be implemented in the regulations later this year.

Ms. Wiant said there are two different approaches the Committee could take. There are several circumstances already in the regulations in which the Executive Director has a waiver, and this mirrors that language. If adopted today, staff could either come back to the Committee with a regulation package or publish guidance on what the waiver process would look like, incorporating stakeholder thoughts.

Mr. Velasquez asked Ms. Wiant to elaborate more on the exemptions she mentioned.



California Tax Credit Allocation Committee

Ms. Wiant said there are three exemptions in the final proposed regulations. The first exemption is that an owner may exceed the limit without a waiver to increase the rent up to 30% of the household's monthly income, in the event the household has a large income increase and their rent was far below the existing maximum. This allows their rent to be increased to what the household can afford, even if it goes above the limit specified in the regulations. The second exemption is for projects with terminated project-based rental assistance or operating subsidies, as described in the regulations. Typically, similar to HCD, if those subsidies are terminated, there is a float up provision that allows rents to come back to what is allowed per the Regulatory Agreement. The third exemption is for when a household is transferring from one unit in the property to another hypothetical unit due to a raise in income. For example, if someone occupied a 30% AMI unit and then qualified for a 40% AMI unit, that would allow for a higher increase in their individual household rent than the cap would allow. This would allow a deeper targeted unit to open up. In the event of those types of transfers, or if a household requested a transfer to a two-bedroom unit from a one-bedroom unit, the transfer would be exempt from the cap.

Mr. Velasquez asked if a developer in the second exemption scenario Ms. Wiant described would likely seek a waiver regardless of what is specified in the Regulatory Agreement. There is already a method of dealing with those situations in the regulations.

Ms. Wiant said stakeholders expressed a desire for a specific exemption for the termination of rental assistance because of some underwriting requirements, to provide assurance to the investor community that if the rental assistance is lost, the float up can still take effect. However, this is fairly rare and could have been done through a waiver.

Ms. Perrault asked staff to provide monthly reports to the Committee until the waiver process is established. She said the Committee should consider convening a working group on that issue, which could include the Administration. Additionally, she said that the Administration is set on a developer fee cap of \$5 million instead of \$6 million. Based on the current data, there is not much usage above \$5 million.

Ms. Wiant said staff received many comments from the public in favor of either no developer fee cap or a much higher cap. Staff was mindful that under the current developer fee structure, projects containing up to 275 units would still receive the same developer fee and would not be capped out. That was one of the reasons that the \$6 million cap was included in the final proposed regulations, as opposed to a lower cap.

Ms. Perrault expressed appreciation for the staff's work on the proposed regulations and for the continued dialogue.

Mr. Johnson echoed Ms. Perrault's comments regarding the waiver process. He expressed concern about the interim period between now and a future update to the regulations, and how that process would be handled.

Chairperson Henning asked if Mr. Johnson would be comfortable if Ms. Perrault's suggestions were implemented.

Mr. Johnson said that despite the suggestion of staff providing regular updates to the Committee, he still questions how the waiver process will be handled. It would be good for the Committee to have transparency with that process, but it is important to acknowledge that there will be a bit of regulatory limbo in this interim period.



California Tax Credit Allocation Committee

Chairperson Henning said staff is attempting to come up with the most ideal regulations.

Mr. Johnson said he understands that there was a working group to discuss to developer fee cap, and it would be great to have insight into the discussions and processes that occurred between then and now, since the State Controller's Office was not a member of that working group due to the number of Committee members. Additionally, he asked Ms. Perrault to explain why the Administration supports a \$5 million cap instead of \$6 million.

Ms. Wiant explained that at the February 12 meeting, Gayle Miller from the Department of Finance requested that a working group be established, including the Administration and stakeholders. Stakeholders who emailed staff and expressed interested in participating were added to the working group. Throughout that process, a variety of approaches were suggested, and the working group brainstormed different ways to calculate the developer fee. The outcome was the somewhat complex calculation that is included in the final proposed regulations package: the greater of 15% of eligible basis, up to \$2.5 million; or \$1 million plus 5% of eligible basis in excess of \$6,666,667. This formula is tied to costs and attempts to balance some of the stakeholders' interests. Previously, the Committee looked at increasing the existing structure, which is based on an additional multiplier per unit. The working group considered a per-unit multiplier based on 50, 75, or 100 units, but there was concern about how high that would have gone and the potential disadvantage it could have had on smaller, more complex, projects. That is why staff ended up proposing this formula, which is a percentage that is still based on the basis.

Ms. Johnson Hall thanked the staff for putting together this information and considering input from stakeholders. She expressed support for Ms. Perrault's suggestion to convene a working group. It is important to define the parameters and discuss the details of how the process will work. Regarding the \$5 million developer fee cap versus \$6 million, CalHFA supports whichever the Administration prefers. Everyone's goal is to contain costs, and CalHFA has observed pressure to forego the payment of the developer fee to accommodate all manner of issues, but that also makes it difficult to get that money back to be used for future projects. Ms. Johnson Hall expressed that she is somewhat conflicted on the issue of developer fees, in part because she used to work for non-profit organizations and served on several non-profit boards. However, everyone can agree that this system is not working as well as they would like it to work. She applauds all efforts to figure out a better solution that results in building more units, in order to help the individuals who need it most. That should be the Committee's priority.

Ms. Johnson Hall said developer fees do not look the same for all parties. She is concerned about what it might mean for emerging developers and small non-profit organizations, including one that she started working for years ago, if the developer fees were capped. Those are very hard positions that many people in the room wrestle with every day. These projects require a 55-year commitment, and it is difficult to ensure that there are adequate resources to keep them stable. Ms. Johnson Hall suggested looking at all aspects of affordable housing, including both a policy component and a financial component. The Committee would be missing the point not to realize that making a move on the policy side of the lever could have a disparate impact on the financial side, in terms of the capital stack and how deals survive over the long term. Nobody is looking for an opportunity to hurt anyone in the industry, and the Committee's goal should be to come up with the best way to create more units and keep the units that are already in place safe.

Ms. Johnson Hall said that the maximum state tax credits per unit should be data driven. CalHFA's portfolio does not include any projects that exceed \$100,000 per unit. She asked staff to do additional



California Tax Credit Allocation Committee

work to ensure that the \$200,000 proposed maximum makes sense. Using the Mixed-Income Program (MIP) as a baseline, she is concerned about whether \$200,000 is the right maximum. Regarding rent increases, she does not want to hurt renters living in the low-income units. She recognizes the need for the Committee to do something on this issue, and she is glad they are considering the recommendation presented. She is concerned, however, that the Executive Director's authority to issue waivers is too broad, and there should be additional measurements and structures around that process.

Chairperson Henning asked if Ms. Perrault's suggestions would help address Ms. Johnson's concerns.

Ms. Johnson Hall responded affirmatively. She supports Ms. Perrault's suggestions. Talking to stakeholders with boots on the ground will help ensure those metrics are something that everyone can live with long term.

Chairperson Henning said that the Treasurer shares Ms. Johnson Hall's concerns about the developer fee cap. The Governor, the Treasurer, and CalHFA are all driven to produce more housing. It is a careful balance to consider and is being weighed heavily.

Ms. Wiant said that staff looked at the data and received several public comments requesting a lower per-unit cap for state tax credits, and staff saw a drop off around \$200,000 for outliers. Staff's concern with implementing a lower cap at this time is that it would have more of a material impact on some of the projects applying for Round 1 due to the close application deadline. Staff attempted to find a way to curb outliers rather than changing behavior at this point. If there are enhanced state credits next year, staff could consider something different.

Mr. Johnson expressed concern about the nature of a sunset date on the developer fee cap. He recommended adding language to the regulations stating that the Committee would come back and reevaluate the cap at that date, rather than having it disappear.

Chairperson Henning called for public comments:

Tia Boatman Patterson, President and CEO of the California Community Reinvestment Corporation (CCRC), explained that her organization is one of the most significant permanent lenders for Low-Income Housing Tax Credit (LIHTC) deals in California. CCRC has about \$1 billion of capital that it recycles and a \$1 billion portfolio and is a Certified Development Financial Institution. CCRC's banking consortium, which provides its funding, is comprised of over 40 banks. Last April, the Committee received a letter stating that it had been 20 years since the developer fee cap had been raised. Developer fees are earned fees that allow the developers to pay for the work they do. Lenders are looking at developer fees, and specifically the cash out on developer fees, as a mitigant of risk. This is the amount of money available to developers in the event of cost overruns or if anything else happens. This is how a lender looks at the developer fee as part of the entire underwriting process.

Ms. Boatman Patterson said that CTCAC should have lifted the cap on the developer fee altogether. It is problematic to come up with complicated calculations to solve what may be a perceived problem. If the Committee is trying to limit or contain costs, the fee should be uncapped for projects that do not have any state funding. In the current era, there are historic rising inflation and interest rates, as well as historic problems with construction, supply, labor, and demand. CCRC has projects that did not have a gap three years ago, but they do have a gap when they get to the closing table if their term and rate lock have expired. Various state policies, as Ms. Johnson Hall stated, act as levers; pushing one lever down raises another lever elsewhere. The unintended consequence of capping the developer fee may be



California Tax Credit Allocation Committee

incentivizing smaller, more costly, and more complex developments, while disincentivizing larger, more cost-efficient, developments. If the state's goal is production, that is fundamentally a supply issue. Several of the decisions made by the state actually reduce production. Looking at the past five years, every small decision made by the Committee has led to the production of fewer units. This is not necessarily due to a lack of resources; it is because of certain policy decisions that have been made without a fundamental understanding of the capital stack and how financing actually works. The Committee thinks it is a good idea to cap the developer fee at \$6 million, but these deals are complicated, and developers are deferring the developer fees and helping to pay down costs and mitigate risk. If the Committee wants to incentivize production, it should be looking at things that are less costly and ask whether the capital stack is being reduced or if a project is using less subsidy. The Committee should consider how to incentivize bigger production. Capping the developer fee is not going in the right direction.

Ms. Boatman Patterson said that she has previously been in the staff's position and has sat on the Committee, so she recognizes the political consequences. However, sometimes things that look like good ideas do not necessarily make sense in practice. She urged the Committee to think about lenders; the Committee is supposed to be creating a system to bring in more private money. Each time the Committee makes one of these decisions, less private capital is brought in. The most vulnerable populations should be housed, but each time policies are created that drive to the lowest common denominator, it directly opposes what the Committee says it wants to do, which is to create more housing.

Ms. Boatman Patterson said that she is a former development attorney. Everyone wants to backfill redevelopment, not necessarily due to the money but rather the framework of redevelopment. Redevelopment made about \$2 billion per year available for affordable housing, and that money went to the continuum of housing needs, including everything from homeless shelters to entry level homeownership. If the Committee wants to have financing coming in, it needs to support that program in proportion to the unmet need. It was a requirement under redevelopment law that every dollar that went toward affordable housing needed to be spent in proportion to the unmet need. Over the last several years in California, almost all the resources have been directed toward the lowest common denominator. The state has limited rents and is now limiting the developer fee, and with each of these actions, the private sector is driven further away. However, this is a system that is supposed to be bringing in private dollars.

Ms. Boatman Patterson said that the 4% tax credit program is a debt program, which is why it is mixed with private activity bonds. The 9% tax credit program is equity, and there is no need to bring in debt. The more the Committee puts very costly and vulnerable populations into 4% tax credit projects, the less they can support that debt. Around 50% of CCRC's portfolio is permanent supportive housing units in Los Angeles, and about three of those developers are barely hanging on. The Committee has pushed for certain targeted populations, and those costs have gone up exponentially. Some insurance premiums have gone up a thousand times. Capping the developer fee hurts the sustainability of some of these developments. Ms. Boatman Patterson urged the Committee to consider the various levers it pushes, ensure an understanding of the entire system and the continuum of affordable housing finance, and spend the public resources in proportion to the unmet need.

Cherene Sandidge from the Black Developers Forum (BDF) thanked the speakers who have been in the position of a developer and understand the incentives for them to be successful in developing projects. She opposes the proposed regulations for two reasons. First, BDF is part of the Treasurer's working group, but they were not notified that a working group had been created on this issue. She expressed that



California Tax Credit Allocation Committee

she would like to have that connection reestablished with the new Executive Director. Second, the words “waiver,” “exemption,” and “or” are too subjective for developers who are diving into hundreds of millions of dollars’ worth of projects. The ideology behind the developer fee cap and/or the rent cap will cause problems for developers with 100% Housing Assistance Payments (HAP) agreements since they will not have the luxury of telling the federal government that they cannot raise rents because of the state’s lower cap. Ms. Sandidge asked what impact this would have on secondary covenants on projects. Developers already have to balance several different capital stack providers, and the Committee should think about how it will handle the HAP agreements. If the developer fee is capped and smaller projects are no longer viable, developers will not develop those projects, and the housing stock will not be available.

Ms. Sandidge asked what the incentive would be for a developer to stay in a project for 55 years if the developer fee were capped at \$6 million, since that is a low amount. Because developers have been funding extremely low-income projects and the cost of the service providers associated with those projects through the cash flow, even a deferred cash flow is not guaranteed. Developers are beholden to costs that are raised by third party individuals, including service providers and long-term caseworkers. There is no need to cap the developer fee at stage one. In 25 or 30 years, the Committee will see the project come back. The state thinks developers are trying to pull the wool over someone’s eyes, and the programs are being written too tightly for developers to respond to and make work. The bigger projects may be able to move forward with the developer fee cap, but there is also an opportunity for developers to develop smaller projects that will all fall under these caps. There will either be small projects with 25 units or less, or large projects with 100 or more units to get to an economy of scale. The mid-sized projects, which could provide housing to the people who need it most, will be left out. Ms. Sandidge understands the desire to house the homeless, but urged the Committee not to design programs that go against developers who want to provide that service in the long-term. Now, the programs are punishment rather than incentives to the developers. Developers following those programs have no longevity in the industry.

Alex Pratt from AMCAL Housing agreed with Ms. Boatman Patterson’s comments. He said his company has been in the business for the past 25 years, and he has been in the business for 28 years himself. AMCAL develops a lot of large projects and is vertically integrated. They have developed projects as large as 394 units, and multiple projects with units in excess of 200. These projects start with the lender, and the idea that developers are getting huge amounts of money is illusory. If the Committee were to audit files, they would find that it is rare for a developer to maximize the developer fee. Additionally, developers have to essentially pledge that entire developer fee in order to get loans. There are economies of scale for larger projects, which provide a tremendous advantage to providing housing, but the risk also increases for those projects. Mr. Pratt has a 200-unit project right now that is almost completed with \$350,000 per month in interest carry. That is real money, and the slightest mistake or a small problem with a utility or public agency can be significant. There are problems with utilities and public agencies all over the state. AMCAL works all over California, Texas, and Washington, and those are huge issues. Even dealing with HCD is causing six-month delays for projects. The Committee is asking developers, in this uncertain environment with interest rates and construction costs increasing, to shoulder even more risk by telling them not to develop projects over 200 or 275 units because the developer fee will be reduced. State tax credits are disappearing in the near term, which means developers will have to find other creative methods and more equity has to be put up. This means developers will have to take on even more risk.

Mr. Pratt said that the most important factor is the level of sophistication needed to develop larger projects. AMCAL used to develop projects that were between 40-100 units, and only in the past seven or



California Tax Credit Allocation Committee

eight years have they started developing projects over 100 units. They had to learn how to do that and put all the infrastructure in place. There are a lot of things that can go wrong in a large project. The level of sophistication that the developer has to bring to the table in order to develop large projects is significant, and that comes with more expensive staff because they must be more knowledgeable. The same person who has done a 25-unit deal is not prepared to do a 394-unit deal on 18 acres with streets and infrastructure. The developer fee cap is misguided and contrary to basic economic theory, and the Committee should rethink how to generate units. Additionally, the Committee should not get lost in the concept that there are a bunch of rich developers who are making a bunch of money. Rich, greedy, developers are doing something else entirely. These are developers who are committed to the affordable housing realm and are trying to survive and make a decent living without going into the red.

Mr. Pratt reiterated that he supports most of Ms. Boatman Patterson's comments, and the Committee is going in the wrong direction, along with HCD, which has back-end caps that structure deals so that functionally, they could never be sold. The idea that developers are making a huge amount of money on these transactions is inaccurate; in actuality, the amount of money is only tracking with the amount of risk that developers have to absorb. If the Committee wants better, more cost-efficient, developers driving more cost-efficient projects, the fee should be uncapped so that the developers can compete in the American capitalist system.

Chairperson Henning asked the remaining public commenters to limit their comments to two minutes in length.

Kim Pipkin, Executive Director of the Black Developers Forum (BDF), agreed with Ms. Boatman Patterson's comments. Ms. Pipkin is adamantly opposed to capping any developer fees. She asked Ms. Wiant to meet with members of BDF and other BIPOC developers because their input was not included among the members of the public Ms. Wiant mentioned earlier. Because Ms. Wiant is new to the role, she should listen to the members of BDF about how much it costs to be a developer and what the risks are. Developers are here to provide a service and are also taxpayers. Ms. Wiant should meet with the BIPOC developers in California and not create policies without their input.

William Leach from Kingdom Development thanked the staff for holding the public hearing, which allowed for developers to ask technical questions about the changes to the regulations. Mr. Leach pointed out a calculation ambiguity during the hearing, and staff was able to clarify that in the final proposed regulations package. Mr. Leach expressed that he loves cost containment as a goal, but he believes the Committee is doing it wrong. He agrees with higher developer fees; there is a lot of risk, and he believes that the sentiment behind the regulation change is to ensure that there is a more reasonable developer fee for the risk being taken. However, if the Committee's goal is cost containment, they should create per-unit policies. Unit production should be incentivized, and the more often the regulations specify "per unit," the more costs will be contained. Mr. Leach supports increasing developer fees, but the method in the proposed regulations, which crosses out the words "per-unit" and replaces them with a certain percentage multiplied by the eligible basis, allows the developer to increase project costs to get a better developer fee. The developer does not have to increase unit production; they can just increase project costs. Mr. Leach said he is creative and will find a way to help his clients accomplish their goals of creating housing and getting paid a reasonable fee. He asked the Committee to consider basing as many regulations as possible on per-unit measures.

Mr. Leach echoed Ms. Boatman Patterson's comment that if the Committee wants to maximize the resources made available by the federal government, they should strive to have the higher income, 50-80% AMI, units served by the 4% tax credit program. This is because when net operating income (NOI) is increased on a 4% deal, the benefit of the tax exemption is amplified. If the Committee wants to reach



California Tax Credit Allocation Committee

deeper targeted populations, such as 30-40% AMI households and permanent supportive housing, where the costs to provide the services that those populations need drives down the NOI, those projects should be pushed into the 9% tax credit program, where the developer is not losing a tax exemption and is allowed to have a deeper subsidy when it comes to tax credits. Regarding the rent limit increases, Mr. Leach would have been more comfortable if the cap were 15%, but the difference between 10-15% may not matter much. However, he does not support the concept of a retroactive rule. Developers who did not raise rents for a couple of years following COVID-19 should be able to raise rents now to catch up. The retroactive rule is a terrible idea.

Jimmy Silverwood, President of Affirmed Housing, thanked the staff for the public outreach and for taking public comments on the rent cap. The public comments seemed to be integrated into the final proposed regulations. This is complicated, and there are a lot of different scenarios for which Mr. Silverwood does not want to have to come to the Executive Director to obtain a waiver. He is generally supportive of the proposed regulations, but he does not support the cap on developer fees, for the reasons stated by Ms. Boatman Patterson. Additionally, he recommends an increase from 5% to 6% for the non-special needs eligible basis calculation for the developer fee.

Alice Talcott from MidPen Housing spoke on behalf of the California Housing Consortium (CHC) and the Tax Credit Subcommittee. They met and came up with some proposed slight revisions to the rent increase language in the proposed regulations. They are generally supportive, but they are concerned because there are some circumstances that are not included within the exemption language. Property owners need clear rules so that they are not stuck between two conflicting sets of regulations, particularly for projects with project-based vouchers or any other kind of rental assistance. There is a provision in the regulations that allows the tenant's portion of the rent to be raised to 30% of the household income, and that should handle most cases where a household's income increases substantially, and their rent has to increase. However, that will not handle all the cases. There are some rental subsidy providers that do not have a 30% cap on tenant household incomes, particularly those that may be run by Moving to Work (MTW) housing authorities. Owners do not have control over the tenant-paid rent; that is set by the rental subsidy programs. CHC would like to see those programs added to the list of exemptions so that if there is a different standard set by a rental subsidy provider, it prevails over the CTCAC regulations. Similarly, if there is a difference between HCD and CTCAC regulations, it should be clear that the HCD rules would apply. Lastly, CHC understands what the actual percentages are, but they do not quite understand how this works, and they do not know what the allowed increases are. CTCAC should provide that information in an easily digestible format and make everyone aware of it, so that developers can just look up what the cap is for the year. This will be important for developers as they try to implement the regulations.

Caleb Roope from The Pacific Companies (TPC) echoed Ms. Boatman Patterson's comments on the developer fee. Mr. Roope is an advocate for production in California, where there is a housing crisis, so he is continually focused on that. TPC develops small, medium, and large projects, and has a well-rounded portfolio of projects. Mr. Roope always wants to be able to develop projects that are larger in scale because they are the most efficient and productive, and they take the least public subsidy. One of TPC's projects that Ms. Johnson Hall has assisted with through CalHFA's MIP is 330 units in Roseville. Under the new developer fee rules, Mr. Roope would be incentivized to cut a project of that size to about 180 units and leave 150 units on the table to do in a subsequent phase someday in the future. That is not what Mr. Roope wants to do as a developer, but if he is trying to manage the risk of developing a project with the resources that he has – mainly the developer contingency – that is exactly what he will do, and others will do the same when they try to balance risk. The 330-unit project Mr. Roope cited would collect a \$7.1 million developer fee under the current regulations, and Mr. Roope would always like to



California Tax Credit Allocation Committee

be able to do those kinds of projects because there is no subsidy from the city; there is just the MIP and state tax credits. That is an example of how this new policy will stop those kinds of projects from happening.

Tim Soule from Meta Housing Corporation praised the staff for the regulatory roll out process. He echoed the comments made by Ms. Boatman Patterson and Mr. Roope and urged the Committee to adopt a developer fee regime that incentivizes the production of projects that maximize economies of scale. He asked the Committee to increase the fee factor from 5% to 6% and do whatever possible to embrace the efficiencies provided by larger scale projects.

Cheri Hoffman from Chelsea Investment Corporation agreed with the comments made by Ms. Boatman Patterson and Mr. Roope. The proposed change to the developer fee limit disincentivizes developers from building larger projects for the reasons that have been expressed today. Ms. Hoffman does not support this change; the \$6 million cap is too low, and as Ms. Boatman Patterson stated, it is true that the developer fee, the majority of which is not paid until permanent loan conversion, is looked upon by lenders and investors as a form of contingency to cover cost overruns and unforeseen issues. Developers have used a portion of the developer fee to cover rising interest rates. Ms. Hoffman asked the Committee not to make this change.

Anthony Yannatta from Thomas Safran & Associates asked the Committee to continue to exempt federal project-based or tenant-based rental subsidies from the proposed cap on rent increases because it creates a tremendous amount of confusion.

Chairperson Henning closed public comments.

Chairperson Henning listed the following revisions to the proposed regulations that have been suggested by the Committee members thus far: the clerical correction in Section 10328(a)(4)(A) mentioned by Mr. Zeto; the expectation of monthly reports from the Executive Director to the Committee regarding the rent cap waivers; a working group to convene on the waiver process between now and the next regulation change package; and a come back provision regarding the sunset date on the developer fee cap, to ensure the Committee readdresses this issue prior to that sunset date.

Mr. Velasquez thanked the commenters for speaking. The Committee understands the very difficult challenges that developers are experiencing, such as cost increases, insurance increases, and rising interest rates. This is why, when the Committee began the conversation about the developer fee, it was not a conversation about a cap. The conversation about caps was regarding rent increases. The conversation about the developer fee was that the developer fee had not increased in many years, and it was time for CTCAC to address an increase in the fee to reflect the increasing costs incurred by developers in these transactions. That is exactly what the Committee is doing, and it is being done thoughtfully, based on data. This is why Mr. Velasquez agrees with Ms. Perrault's assertion that the Committee is not seeing many projects, with just a few exceptions, that are 275 units or more. The Committee has to be data driven in its proposal to increase the developer fee, and that is why a \$5 million cap is reasonable. The development community should know that the Committee is trying to address the fact that the developer fee has not increased for many years.

Mr. Velasquez said that he was initially concerned with some of the exemptions to the proposed rent cap, but he agrees with the staff. He also agrees with Ms. Perrault and Mr. Johnson that the Committee should be informed about the waiver process. That is how the Committee will address projects that could potentially be subject to a higher request. Rather than continuing to exempt situations, the Committee

CTCAC Committee Meeting
April 3, 2024



California Tax Credit Allocation Committee

should establish a waiver process that is thoughtful and will allow them to make meaningful decisions about when a project can exceed the established cap.

Chairperson Henning restated the following revisions to the proposed regulations that have been suggested by the Committee members thus far: the clerical correction in Section 10328(a)(4)(A) mentioned by Mr. Zeto; the expectation of monthly reports from the Executive Director to the Committee regarding the rent cap waivers; a working group to convene on the waiver process between now and the next regulation change package; and a come back provision regarding the sunset date on the developer fee cap, to ensure the Committee readdresses this issue prior to that sunset date. He asked Mr. Velasquez if he is also proposing to lower the developer fee cap from \$6 million to \$5 million.

Mr. Velasquez responded affirmatively. The initial proposal was \$5 million, and it has increased to \$6 million.

Chairperson Henning said that as Ms. Wiant previously stated, the cap was adjusted to \$6 million because of public comments that staff received. He confirmed that Mr. Velasquez is proposing to reduce it to \$5 million as originally proposed.

Mr. Johnson said he appreciates the discussion about lowering the cap to \$5 million, but he also wants to be mindful of the work that staff has done with stakeholders to arrive at the \$6 million figure. He is not in a position to be able to argue down to \$5 million based on the data presented today, and he would prefer to land on the staff's final recommendation, on which they have done their due diligence.

Mr. Velasquez said the Committee heard from many public commenters about the disincentive that reducing the cap would represent for larger projects. He asked staff if they ran the data using a 275-unit project, and what they found in the data in terms of a project that size, based on the applications that have been received recently.

Ms. Wiant said staff looked at a hypothetical project under the current developer fee structure to see where \$6 million would fall. A 275-unit project today would qualify for a \$6 million cash developer fee under the existing regulations. That is why staff proposed the \$6 million cap, in order to prevent reducing the developer fee for projects up to 275 units. Ms. Wiant looked at the historical data of CTCAC's entire portfolio and found that about 5% of those projects are over 275 units. It is a fairly small percentage of projects. Looking at the data from the past year, only a handful of projects were over 200 units.

Ms. Perrault thanked everyone who provided public comments. She said the Administration is more comfortable with a \$5 million cap, but either \$5 or \$6 million is a substantial increase and is the direction in which the Committee should be going.

Chairperson Henning restated that the following revisions to the proposed regulations that have been suggested by the Committee members: the clerical correction in Section 10328(a)(4)(A) mentioned by Mr. Zeto; the expectation of monthly reports from the Executive Director to the Committee regarding the rent cap waivers; a working group to convene on the waiver process between now and the next regulation change package; and a come back provision regarding the sunset date on the developer fee cap, to ensure the Committee readdresses this issue prior to that sunset date. Additionally, there is a question about the Administration's desire for a \$5 million developer fee cap and the staff's recommendation of a \$6 million cap.



California Tax Credit Allocation Committee

MOTION: Mr. Johnson motioned to adopt the proposed regulations with the revisions outlined by Chairperson Henning, with the \$6 million developer fee cap as recommended by staff. Mr. Velasquez seconded the motion.

AYE: Michele Perrault, Evan Johnson, Gustavo Velasquez, Patrick Henning

ABSTAIN: Tiena Johnson Hall

The motion passed via roll call vote.

7. *Agenda Item:* **Public Comment**

There was no public comment.

8. *Agenda Item:* **Adjournment**

The meeting was adjourned at 3:41 p.m.

DRAFT



California Tax Credit Allocation Committee

AGENDA ITEM 3

Executive Director's Report (Section left blank)



AGENDA ITEM 4

**Discussion and Consideration of appeals
if filed under CTCAC Regulation
Section 10330(b)(1), and if appeal is
granted in its entirety, a Reservation of
2024 First Round Federal Nine Percent
(9%) Low Income Housing Tax Credits
(LIHTCs) – See Exhibit A for project list**

3300 Mission Partners L.P.

515 Cortland Avenue, San Francisco, CA 94110 || 415-206-2140 || [www.https://bhnc.org/3300-mission-street/](https://bhnc.org/3300-mission-street/)

April 5, 2024

Marina Wiant, Executive Director
California Tax Credit Allocation Committee
901 P Street, Suite 213A
Sacramento, CA
95814
anthony.zeto@treasurer.ca.gov

RE: Disqualification Appeal
CA-24-003 / 3300 Mission Street

Dear Ms. Wiant:

This letter appeals California Tax Credit Allocation Committee’s (CTCAC) April 3, 2024 letter in connection with the 3300 Mission Street Project. We appreciate the time and effort CTCAC has taking in reviewing and considering our application. We write to appeal the remaining threshold issue.

CTCAC staff states the Project fails to meet the 40% income threshold requirement for SRO housing. Section 10325(g)(5)(A) requires SRO housing to have an average targeted income of no more than 40% of area median income. The targeted incomes for 3300 Mission, which were established in coordination with the San Francisco Mayor’s Office of Housing and Community Development (MOHCD), are shown in the table below. Based on these target incomes, the Project’s average targeted income is 39.9%.

# of Units	Targeted AMI	Actual AMI
13	48%	47.5%
10	47%	46.5%
11	24%	23.2%

In determining the Project fails to meet the 40% requirement, CTCAC staff rounded the Project’s Targeted AMIs to 50%, 50% and 25% respectively. This increased the average to 41.9%.

Section 10325(g)(5)(A) does not require targeted incomes for SRO housing to be set in 5% increments. Further, in establishing affordability levels below 50% and 25%, we are trying to avoid creating a rent burden while also safeguarding financial feasibility. In doing so, the Project does not need to rely on increasingly scare operational subsidies.

Consequently, we ask CTCAC to utilize the targeted AMIs we established in cooperation with the MOHCD, instead of rounding to higher income levels. We ask that TCAC at least for the purposes of 10325(g)(5)(A) requirements rely upon the more precise targeted incomes set forth in the table above, allowing the Project to qualify for a tax credit award.

We appreciate your time and thank you in advance for your consideration of this request. If you have any questions, you can call Gina Dacus at 415-206-2140, or Andre White at 843-338-3811.

Sincerely,

3300 MISSION STREET L.P.,
a California limited partnership
By: Tabernacle Alliance LLC,

a California limited liability company
Its: Managing General Partner

By: Bernal Heights Housing Corporation,
a California nonprofit public benefit corporation
Its: Co-Managing Member

DocuSigned by:
By: Gina Dacus
Gina Dacus, Executive Director

By: Tabernacle Community Development Corporation,
a California nonprofit public benefit corporation
Its: Co-Managing Member

DocuSigned by:
By: James McCray Jr
James McCray Jr, Executive Director



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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Director of HCD

TIENA JOHNSON HALL
Executive Director of CalHFA

EXECUTIVE DIRECTOR
MARINA WIANT

April 3, 2024

Gina Dacus
3300 Mission Partners L.P.
515 Cortland Avenue
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E-mail: gdacus@bhnc.org
info@bhnc.org
tcdced@outlook.com
andrewhite@mitchelville.com

RE: CA-24-003 / 3300 Mission Street

Dear Ms. Dacus:

This letter is in response to the second appeal letter received on March 29, 2024 of the California Tax Credit Allocation Committee ("CTCAC") point score reduction, credit reduction, and disqualification of the application for the above referenced project. CTCAC staff reduced Housing Needs point category by 10 points and disqualified the application for failure to meet the average targeted income requirement of 40% AMI, failure to meet the vacancy requirement of 10%, and failure to demonstrate that the targeted population will not be rent overburdened given there is no proposed rental or operating subsidy. CTCAC staff reduced the Service Amenities point category by five points for failure to document the number of hours of service for the adult educational, health and wellness, or skill building classes. CTCAC staff reduced the Readiness to Proceed point category by 10 points for failure to document an enforceable financing commitment for the US Bank financing. Lastly, CTCAC staff reduced the credit request from \$2,499,477 to \$2,498,673 due to a discrepancy in the San Francisco Mayor's Office of Housing and Community Development (MOHCD) financing commitment letter and the application. The second appeal letter did not appeal the credit reduction.

Housing Needs and Disqualification

1. Failure to meet the average targeted income requirement of 40% AMI

For the 40% AMI average targeted income requirement, the appeal letter stated that the rents are restricted by a predevelopment loan from MOHCD to rents below the categories

requested in the CTCAC application. You explained that based on the actual AMI levels, the average targeted income for the project would be 39.4% AMI.

In the second appeal letter, you stated that in the application you included incorrect information and that “Section III. Project Financing – Section 3 Income Information” column (g) should have matched column (h). However, in this “corrected” table, you also changed the actual AMI for the 13 units from 50.7% AMI, as listed in the application and in your first appeal letter, to 47.5% AMI.

With that said, CTCAC Regulations Section 10322(e) states, “No additional documents pertaining to: the Basic or Additional Threshold Requirements; scoring categories; and any application submission requirements pursuant to these regulations and the application form shall be accepted after the application-filing deadline unless the Executive Director, at his or her sole discretion, determines that the deficiency is an application omission of either a document existing as of the application-filing deadline, or a document certifying to a condition existing at the time of the application-filing deadline.” You further state that if CTCAC views the submission of the incorrect table as an omission in your Application, you certify that you agreed with MOHCD to such rents and AMIs on or before February 13, 2024, in advance of the application-filing deadline. The AMIs listed in the second appeal do not appear to be an omission in you application, but instead a material change.

Nonetheless, while I concur that you agreed with MOHCD to restrict the rents below the categories requested in the CTCAC application, as staff stated in their March 25, 2024 response, the calculation of the 40% AMI average income targeting requirement is based on the targeted AMI levels, not the AMI levels based on the actual rents. As such, the targeting for your project, using the MOHCD actual AMIs, including the material change noted above, to set the AMI targeting would be as follows:

# of units	(g) % AMI	(h) % Actual AMI
13	50%	47.5%
10	50%	46.5%
11	25%	23.2%

This would still result in a CTCAC average targeted income of 41.9% AMI and fail to meet the average targeted income requirement of 40% AMI. As such, the appeal is denied for this item.

2. Failure to demonstrate that the target population will not be rent overburdened given there is no proposed rental or operating subsidy

The supplemental documentation from Novogradac submitted with your first appeal clarifies that those households that would not experience rent overburden and corrected the targeted AMI levels in accordance with the application. With your second appeal letter, you included an updated letter from Novogradac which states, consistent with Regulations 10322(e), that the conditions on which the rent burden determinations were made existed on or before February 13, 2024, in advance of the application-filing deadline. As such, the appeal is granted for this item.

Service Amenities

The appeal letter stated that the description of the program and services is located in the Service Provider Service Plan and points to other documents within Tab 24 for the number of hours. You explained that Bernal Heights Neighborhood Center (BHNC) is an affiliated organization as the general partner and attached a certification of services plan from the Executive Director.

The second appeal letter stated that the remaining .125 FTE equals 5 hours a week or 260 hours a year for the adult educational, health and wellness, or skill building classes provided off site and free of charge at BNHC's nearby service space (less than ½ mile away.) The letter further states that, while the 0.125 FTE is not written out, it is clear from the 0.375 FTE allocated elsewhere and the total of 0.5 FTE referenced at the end of the paragraph that the 0.125 FTE (260 hours) will come from the other BNHC programs.

Because the service plan sites a variety of services including Service Connection, Cortland Senior Program, and Cortland Senior Food Assistance and Meal Programs and the cover sheet states that you plan to integrate other BHNC services, and that the plan will provide a 0.5 FTE equivalent, although unclear, I will accept the inference that the balance of 0.125 FTE will be provided for adult educational, health and wellness, or skill building classes. As such, the appeal is granted for this item.

Readiness to Proceed

The appeal letter stated that US Bank is committed to providing funding for the project but acknowledged that MOHCD requires applicants to go through a formal RFP process for lenders after receipt of an award of tax credits. With your second appeal letter, you included an updated commitment letter from US Bank which states, consistent with Regulations 10322(e), that the commitment and the conditions on which the commitment were based existed on or before February 13, 2024, in advance of the application-filing deadline. As such, the appeal is granted for this item.

A revised point letter is attached. If you wish to appeal this decision to the Committee, you may submit a final written appeal, along with a \$500 appeal fee, that must be received by CTCAC no later than 5:00 pm on April 8, 2024. Please address any written appeal to CTCAC's mailing address, and staff will distribute it to the Committee for consideration at the next CTCAC meeting. Please feel free to contact me at marina.wiant@treasurer.ca.gov should you have any questions or concerns.

Sincerely,



Marina Wiant
Executive Director

Enclosure



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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Executive Director of CalHFA
EXECUTIVE DIRECTOR
Marina Wiant

REVISED

April 3, 2024

Gina Dacus
3300 Mission Partners L.P.
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San Francisco, CA 94110

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info@bhnc.org
tcdced@outlook.com
andrewhite@mitchelville.com

RE: CA-24-003 / 3300 Mission Street

Dear Ms. Dacus:

Following your submission for the California Tax Credit Allocation Committee (CTCAC) first 2024 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comment. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

Table with 3 columns: Item, Points Requested, Points Awarded. Rows include General Partner Experience, Management Experience, Housing Needs, Site Amenities, Service Amenities, Lowest Income, Readiness to Proceed, Miscellaneous Federal and State Policies, and a TOTAL row.

CTCAC staff reduced the Housing Needs point category by ten (10) points because the average targeted income as shown in the e-application is 47.4%. As per CTCAC Regulation Section 10325(g)(5)(A), for SRO projects, the average targeted income must be no more than 40% of the area median income. Furthermore, a ten percent (10%) vacancy rate shall be used unless otherwise approved by the Executive Director. CTCAC staff was unable to locate documentation of this.

CTCAC has calculated your Final Tie Breaker score and the score is **51.638%**.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects' scoring letters since individual letters will be sent later as the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact **Brett Andersen** after the final awards have been made.

We appreciate your interest in the Low-Income Housing Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,

A handwritten signature in blue ink that reads "Gullikson". The signature is written in a cursive style with a large, stylized 'G' and a small 'x' mark above the 'i'.

Sarah Gullikson
Development Program Manager

3300 Mission Partners L.P.

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March 28, 2024

Anthony Zeto
California Tax Credit Allocation Committee
901 P Street, Suite 213A
Sacramento, CA
95814
anthony.zeto@treasurer.ca.gov

RE: Disqualification Appeal
CA-24-003 / 3300 Mission Street

Dear Mr. Zeto:

This letter appeals California Tax Credit Allocation Committee (CTCAC) March 25, 2024 response to our March 19, 2024 letter regarding the 3300 Mission Street Project.

Housing Needs. CTCAC staff reduced the Housing Needs point category by 10 points and disqualified the application for the following reasons:

1. Failure to meet the average targeted income requirement of 40% AMI.

The 3300 Mission Street Project meets the average targeted income requirement of 40%. In Application "Section III. Project Financing – Section 3 Income Information", we included incorrect information. "Low Income Units" column (g) (% of Area Median Income), should have matched column (h) (% of Actual AMI). Relatedly, rents should have been adjusted as well. See the way in which this table should have read:

Bdr	(a) # of Units	(b) Avg Sq Ft	(c) Propsd Rent (- ut)	(d) Total Mthly Rent	(e) Mthly Utiity	(f) Rent + Utility	(g) % AMI	(h) %Actual AMI
0	13	325	\$1,450	\$18,434	\$95	\$1,545	48%	47.5%
0	10	325	\$1,418	\$14,180	\$95	\$1,513	47%	46.5%
0	11	325	\$661	\$7,271	\$95	\$756	24%	23.2%

As corrected above, the average % AMI is 39.9%, which the actual AMIs, even lower at 39%.

We ask that CTCAC disregard the clerical error with respect to the version of the table that was submitted and rely upon the corrected table above instead. Our project should not be denied tax credits due to data entry. To the extent that CTCAC views the submission of the incorrect table as an omission in our Application, by signing this letter and in accordance with CTCAC Regulations 10322(e), we certify that we agreed with MOHCD to the above described rents and AMIs on or before February 13, 2024, in advance of the application-filing deadline.

If CTCAC will not agree to rely on the above table in connection with our Project, the % Actual AMI in our application equates to an average of 40.6%. We ask TCAC to determine that the .6% overage is immaterial (with a delta of under \$900 per year) and determine, consequently, that the Project meets the 40% average requirement.

2. Failure to meet the vacancy requirement of 10%.

CTCAC did not raise this issue in its March 14, 2024 threshold and point letters. We agree, however, that under the Regulations, SRO requirements must use a ten percent (10%) vacancy rate unless the application includes a justification of the lower vacancy rate, as approved by TCAC. Our application included a letter explaining our use of a lower vacancy rate (See Attachment 4 to Application, Justification for Vacancy Rate, a copy of which is also enclosed with this letter.) We request that CTCAC accept this justification and allow the lower vacancy rate. If TCAC will not accept this vacancy rate, we ask that TCAC view the .9% differential between the rate in our application as immaterial and determine that the Project meets the vacancy requirement of 10%.

3. Failure to demonstrate that the targeted population will not be rent overburdened given there is no proposed rental or operating subsidy.

TCAC agrees the supplemental documentation from Novogradac submitted with our March 19, 2024 letter clarifies households would not experience rent overburden, but states that it is not clear if the Novogradac supplemental documentation is a document certifying to a condition existing at the time of the application filing deadline. Please see enclosed certification from Novogradac which states, consistent with Regulations 10322(e), that the conditions on which the rent burden determinations were made existed on or before February 13, 2024, in advance of the application-filing deadline.

Readiness. With respect to Readiness, CTCAC states that it is not clear that the March 18, 2024 from US Bank is a document certifying to a condition existing at the time of the application-filing deadline. Please see enclosed letter from US Bank which states, consistent with Regulations 10322(e), that the commitment and the conditions on which the commitment were based existed on or before February 13, 2024, in advance of the application-filing deadline. US Bank has and continues to maintain that the letter submitted in the application was a commitment of funds and should be interpreted as such.

Services. On Tab 24, Service Amenities, we identify a .5 FTE for a Service Coordinator and the adult educational, health and wellness, or skill building classes. TCAC acknowledged in its March 25, 2024 letter that points are available for the .375 FTE service coordinator. The remaining .125 FTE equals 5 hours a week or 260 hours a year for the adult educational, health and wellness, or skill building classes provided off site and free of charge at BNHC's nearby service space (less than ½ mile away.) BNHC provides a wrap-around services approach, the adult educational, health, wellness, or skill building classes requirement will be covered under the Service Connection-Employment, Cortland Senior included in the Application (and enclosed here as well) (see page 2-3). Pending the needs of the resident, they can access the different programs offered at the center, with multiple classes per day five days a week. For example, the employment program hosts a computer training program and have dedicated volunteer instructors who host training daily on various computer topics, with small group and individual computer instruction classes. Training and practice on any of the topics are five days per week from 9AM – 3PM (total of 6 hours per day). The Cortland Senior program also provides services through the Senior Community Services program five days per week (Monday – Friday) from 9AM -3PM (6 hours per week). The Senior Program serves adults with disabilities beginning at the age of 18 and older adults 60+. The program offers programming in wellness services that include exercise and movement classes such as yoga, line dancing, tai chi, tap dancing and walking groups. There are dedicated instructors that host such courses. There is also a cultural wellness cooking class that incorporates cooking cultural recipes using healthy ingredients for healthy food preparation classes. Further, there is also the Food assistance and meal programs for those that are experiencing food security. While the 0.125 FTE is not written out it is clear from the 0.375 FTE allocated elsewhere and the total of 0.5 FTE referenced at the end of the paragraph that the 0.125 FTE (260 hours) will come from the other BNHC programs that a referenced. Consequently, we request that TCAC provide the remaining five points, for a total of 10 under Service Amenities.

In light of the above, we ask that you find the Project has met threshold, and add twenty five points to the 84 points granted to the Project by TCAC through its March 25, 2024 letter.


We appreciate your time and thank you in advance for your consideration of this request. If you have any questions, you can call Gina Dacus at 415-206-2140, or Andre White at 843-338-3811.

Sincerely,


3300 MISSION STREET L.P.,
a California limited partnership

By: Tabernacle Alliance LLC,
a California limited liability company
Its: Managing General Partner

By: Bernal Heights Housing Corporation,
a California nonprofit public benefit corporation
Its: Co-Managing Member

By: 
Gina Dacus, Executive Director

By: Tabernacle Community Development Corporation,
a California nonprofit public benefit corporation
Its: Co-Managing Member

By: 
James McCray Jr., Executive Director

Enclosures

See Attachment 4 to Application, Justification for Vacancy Rate
Novogradac Certification
US Bank Certification
Tab 24 Services Amenities Cover Sheet and Narrative

Attachment 4 to Application, Justification for Vacancy Rate

3300 Mission Street
2024 CTCAC 9%
February 13, 2024

Attachment 4 - Justification for Lower Vacancy Rate

The project is using a 9.1926% Vacancy Rate in its underwriting assumptions. It's standard for projects at this stage to underwrite under 10% % Vacancy Rate along with income and expenses trending at 2.5% / 3.5%.

Our Market Study supports the 9.1926% Vacancy Rate as noted on Page 108 of the report included in Tab 13. The comps used in the Market Study indicate a LIHTC Vacancy Rate of 0.6% See excerpt from the report below.

MARKET CHARACTERISTICS

For detailed information pertaining to the market characteristics of the comparables, such as rent history, concessions, waiting lists, turnover, etc., please refer to the property profiles presented at the beginning of this section of the report.

Market Vacancy

The following tables illustrate overall vacancy rates, as well as vacancy by bedroom type at the comparable properties included in the survey.

OVERALL VACANCY

Property Name	Program	Tenancy	Total Units	Vacant Units	Vacancy %
681 Florida Street	LIHTC	Family	130	0	0.0%
Arnett Watson Apartments*	LIHTC	Family	83	0	0.0%
Curran House*	LIHTC	Family	67	0	0.0%
Natoma Family Apartments*	LIHTC	Family	60	2	3.3%
190 Randall Street	Market	Family	2	0	0.0%
3201 23rd Street Apartments	Market	Family	24	5	20.8%
The Apartments At 1085 South Van Ness	Market	Family	30	0	0.0%
LIHTC Total			340	2	0.6%
Market Total			56	5	8.9%
Overall Total			396	7	1.8%

*Located outside PMA

VACANCY BY BEDROOM TYPE

Property Name	Program	Tenancy	0BR	1BR	2BR	3BR
681 Florida Street	LIHTC	Family	0.0%	0.0%	0.0%	0.0%
Arnett Watson Apartments	LIHTC	Family	0.0%	0.0%	0.0%	-
Curran House	LIHTC	Family	0.0%	0.0%	0.0%	0.0%
Natoma Family Apartments	LIHTC	Family	14.3%	3.6%	0.0%	0.0%
190 Randall Street	Market	Family	0.0%	-	0.0%	-
3201 23rd Street Apartments	Market	Family	20.0%	28.6%	14.3%	-
The Apartments At 1085 South Van Ness	Market	Family	0.0%	0.0%	0.0%	-

The comparable properties reported vacancy rates ranging from zero to 20.8 percent, with an overall weighted average of 1.8 percent. Managers at three of the LIHTC properties reported being fully occupied, which is indicative of supply-constrained conditions. All of the market rate properties reported vacancy rates of 20.8 percent or less, and one of the market rate properties reported being fully occupied. It should be noted that the elevated vacancy reported at 3201 23rd Street Apartments is due to the relatively small development size. Excluding the high outlier, vacancy rates range from zero to 3.3 percent, with an average of 0.1 percent. Based on the performance of the comparables, we expect the Subject will operate with a vacancy rate of approximately five percent.

Novogradac Certification



March 27, 2024

Connie Xie
Bernal Heights Neighborhood Center
515 Cortland Avenue
San Francisco, CA 94110

And

Sarah Gullikson
Development Program Manager
California Tax Credit Allocation Committee (CTCAC)
901 P Street, Suite 213A Sacramento, CA 95814

RE: Response to Comments Received Regarding the TCAC Market Study of 3300 Mission, San Francisco, CA

Dear Connie Xie and Sarah Gullikson:

At your request, Novogradac & Company LLP doing business under the brand name Novogradac Consulting (Novogradac) has prepared additional context relating to the market study for 3300 Mission, effective December 21, 2023, in response to a letter from CTCAC dated March 14, 2024.

Summary of Work Completed

- We were engaged by Bernal Heights Neighborhood Center on December 5, 2023 to complete a TCAC application Market Study of the above-referenced property. The work was completed between December 2023 and February 2024, with the final version delivered to the client on February 6, 2024.
- On March 14, 2024, we received initial review comments provided by the client, from Sarah Gullikson, Development Program Manager with CTCAC. These comments were received via email.
- On March 19, 2024, we provided a response letter to TCAC addressing the initial review comments received on March 14, 2024.

The supplemental information provided reflected market data. The rent and income limits, as well as demographic data, were not changed from the original study. The conditions on which we based our analysis included in the original study and supplement, existed on or before February 13, 2024, in advance of the application-filing deadline.

If we can be of further assistance, or provide any additional information, please do not hesitate to contact me.

Very truly yours,
Novogradac

A handwritten signature in black ink that reads "Rachel B. Denton".

Rachel B. Denton, MAI
Partner
Rachel.Denton@novoco.com
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US Bank Certification



Community Lending Division
800 Nicollet Mall #300
Minneapolis, MN 55402
usbank.com/impactfinance

March 28, 2024

Anthony Zeto
Deputy Executive Director
California Tax Credit Allocation Committee
901 P Street, Suite 213A
Sacramento, CA 95814

To Mr. Zeto:

On March 18 2024, U.S. Bank Impact Finance provided an updated commitment letter for construction financing to 3300 Mission Partners LP for their 3300 Mission Street Apartments project located at 3300 Mission Street, San Francisco, CA. The commitment letter, dated March 18, 2024, included language clarifying the terms included in an earlier commitment letter issued by U.S. Bank on February 5, 2024.

The updated letter, dated March 18, 2024, includes terms reflected from the analysis of the project which was completed prior to the TCAC filing deadline of February 13, 2024. The terms of the March 18, 2024 letter are based on conditions that existed at or prior to the time of the application filing deadline. We request that you disregard the language in our original letter concerning "our willingness to consider" making the loan. We are, and have been since the date of our original letter, committed to making the loan.

For any questions, please feel free to reach out to me.

Sincerely,

A handwritten signature in black ink, appearing to read "Miranda Walker". The signature is fluid and cursive, written over a light gray rectangular background.

Miranda Walker
Impact Capital Manager

Tab 24 Services Amenities Cover Sheet and Narrative

3300 Mission Street
2024 CTCAC 9%
February 13, 2024

TAB 24: Service Amenities

Bernal Heights Neighborhood Center (BHNC) - the parent organization of the Bernal Heights Housing Corporation (BHHC) - will provide an array of cultural and linguistically appropriate services that are designed to connect residents to resources and increase sustainability in San Francisco. The onsite services provide a foundation for long-term independence and stability using an asset-building framework. BHNC's strategies include housing retention, access to life skills training, "warm transfers" to appropriate health, legal or financial services, and development of one's own agency or leadership – fostered through cultural humility principles, attention to trauma, and in a resident's own language.

The project anticipates hiring a 0.375 FTE service connector to provide onsite services at 15 hours per week. We plan to integrate other BHNC services and leverage the accessibility of the neighborhood center to serve as a wrap-around service model. The neighborhood center is 0.42 miles away from the project site. The plan staffing model will provide a 0.5 FTE equivalent.

Please find the following enclosed:

- TAB 24 - Attachment 24 - Service Amenity Information
- TAB 24 - Service Provider Service Plan_3300 Mission
- TAB 24 - BHNC - Brochure (Services)
 - Highlight of services provided by BHNC

3300 Mission Street
CTCAC 9% Application
February 13, 2024



BERNAL HEIGHTS
Neighborhood Center

3300 Mission Service Provider Service Plan

Bernal Heights Neighborhood Center will serve as the primary service provider for 3300 Mission residents. The Bernal Heights Neighborhood Corporation (BHNC) is the Bernal Heights Housing Corporation's affiliate organization that provides a range of culturally and linguistically appropriate services at housing sites and through two community centers based in Bernal Heights and Excelsior.

Program Approach/Service Model

BHNC's community services provide tailored, neighborhood opportunities for the aging and disability populations to access critical support, build community, and develop new skills or awareness of resources in San Francisco. Regarded as a trusted gathering place, BHNC provides high quality culturally and linguistically appropriate programs and services at no cost to adults aged 60 and over and adults with disabilities, including recreational and personal development activities, congregate meal service, food assistance programs, translation services, social services, and volunteer opportunities. Collectively, these offerings allow our target population, low-income BIPOC seniors, to live with vitality and sustain a high quality of life.

During the pandemic, we learned that isolation remains a top issue for older adults, coupled with the lack of computer skills and internet limitations. Our programs and services are designed to address the isolation and help individuals regain deferred essential services.

Projected services provided to tenants include the following:

Service Connection

BHNC provides Service Connection activities with an integrated Strength Based approach. With a 46-year history of connecting the community to culturally and linguistically appropriate resources, we look for strengths in our clients that provide the framework to align results driven services that produce measurable outcomes. Our "no cookie cutter" approach allows us to push past common service delivery and create thoughtful solutions that meet the growing and sometimes complex needs of our clients. Understanding the complex histories of resident's lives is at the forefront for our practice. By evaluating lived experiences through our Trauma Informed Care (TIC) approach, BHNC has dedicated ourselves to learn from and work on the behalf of our clients.

Activities/Community Engagement. We will provide onsite activities and tenant engagement with the residents to include cultural events, informational events, wellness activities.

3300 Mission Street
CTCAC 9% Application
February 13, 2024

Family Services Integration. We support a cross discipline form to support wraparound, referral, best practices and service coordination with our Cortland Community Center and other San Francisco based service providers. This includes referring tenants to behavioral health, housing specialists, family support providers and leveraging make available linkage to access points, financial coaching through partnerships and mobility supports.

Information and Referral. We support residents by assisting them in completing documents, providing translations and supporting them with appropriate resources.

Housing Clinics. We will offer stability education, resource connection, informational workshops and one on one coaching in the building and promote continued relationship building with property management to remedy housing retention issues.

Resident and Leadership Activities. In addition to offering workshops to promote resident leadership, we will also refer residents to BHNC's Community Engagement Committee that allows residents to become more involved with activities throughout the neighborhood and develop core leadership skills.

Service Connection - Employment

BHNC provides service connection focusing in the areas of employment services (preparation for employment, removal of barriers prior to employment). The programs serve clients who speak English and those with limited English proficiencies and require Cantonese or Spanish translation. Many of the clients face the challenge of finding employment because of their language barrier and have the hard choice of learning English while providing an income and stability for their families.

The Service Connection Employment program emphasizes employment and sustainability by coaching BHNC programs and connecting clients to partners in D11, D9, and throughout SF. The approach to service connection is designed with flexibility to help clients reach self-sufficiency by:

- a) assessing overall needs and barriers during the intake process,
- b) creating successful ISP plan that considers long and short term goals,
- c) connecting participants to linguistically and culturally appropriate resources that meet basic and specific needs,
- d) pivoting short-term case management and training approaches to ready participants in gaining employment or training opportunities
- e) provide job coaching that supports the ability of the participants to overcome barriers and sustain employment.

The employment program also hosts a computer training program for participants with opportunities to learn a variety of technology skills via five workstations that keep classes small, intimate and unimimidating. Currently we engage dedicated volunteer instructors who host these training daily on such topics as using email, social media, or smartphones. This programming is an important framework given the overwhelming need for technology training among older adults, particularly when applying for employment. Currently, the format includes: Small Group and individual computer instruction; social media training; Training and practice on any of the topics noted (five days per week, 9am-3pm).

3300 Mission Street
CTCAC 9% Application
February 13, 2024

Cortland Senior Program

Within half a mile of the project site, tenants can participate at the Cortland site and receive services through the Senior Community services program that is available Monday – Friday from 9 – 3pm. The Senior Program serves adults with disabilities beginning at the age of 18 and older adults ages 60 and over. The program provides social service support, housing assistance, information and referral, wellness programs, activities and a food pantry. A sampling of current programs include:

- Exercise and movement classes – yoga, line dancing, tai chi, tap dancing, and walking groups – many are adapted to mobility limitations such as seated movement classes.
- Crafts – jewelry making, crochet, knitting, and painting
- Holiday events and monthly Senior Happy Hour (*No contract funds used for alcohol.*)
- Outings to cultural events, parks, or movies
- Cultural Wellness cooking class - seniors modify family recipes honoring their heritage using healthy ingredients and share in community, producing a cookbook.

Cortland Senior Food Assistance and Meal Programs

BHNC food security strategies are important in several ways. As essential as the meal or grocery distributions are in and of themselves, they are also opportunities for staff to discern how individuals are doing. The ongoing relationship is important in building trust so that we may offer services when we know that an individual is struggling.

BHNC proudly partners with On-Lok-30th Street to provide a daily hot congregate meal to 35 participants weekly. Many clients who are unable to cook or cannot afford a comparable meal rely on this meal. BHNC also supplements food access through our twice-per-month Brown Bag program for 102 individuals (2,424 bags per year), and monthly Supplemental Food Box Program provided by the San Francisco-Marin Food Bank for 120 individuals (1,440 boxes annually). These programs provide fresh and non-perishable/canned staples to our clients. BHNC provides home delivery to home-bound seniors until they are eligible for the SF Home Delivery Program. Moreover, staff provides assistance with the CalFresh application including expedited applications for immediate access to benefits when individuals have an urgent need.



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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Director of HCD

TIENA JOHNSON HALL
Executive Director of CalHFA

REVISED

March 25, 2024

EXECUTIVE DIRECTOR
MARINA WIANIT

Gina Dacus
3300 Mission Partners L.P.
515 Cortland Avenue
San Francisco, CA 94110

E-mail: gdacus@bhnc.org
info@bhnc.org
tcdced@outlook.com
andrewwhite@mitchelville.com

RE: CA-24-003 / 3300 Mission Street

Dear Ms. Dacus:

This letter is in response to the appeal letter received on March 19, 2024 of the California Tax Credit Allocation Committee ("CTCAC") point score reduction, credit reduction, and disqualification of the application for the above referenced project. CTCAC staff reduced Housing Needs point category by 10 points and disqualified the application for failure to meet the average targeted income requirement of 40% AMI, failure to meet the vacancy requirement of 10%, and failure to demonstrate that the targeted population will not be rent overburdened given there is no proposed rental or operating subsidy. CTCAC staff reduced the Service Amenities point category by 10 points for failure to document the number of hours of service and a description of the services provided by Bernal Heights Neighborhood Center. In addition, the required position description was not provided for the Service Coordinator/Other Services Specialist. CTCAC staff reduced the Readiness to Proceed point category by 10 points for failure to document an enforceable financing commitment for the US Bank financing. CTCAC staff reduced the credit request from \$2,499,477 to \$2,498,673 due to a discrepancy in the San Francisco Mayor's Office of Housing and Community Development (MOHCD) financing commitment letter and the application.

Housing Needs and Disqualification

For the 40% AMI average targeted income requirement, the appeal letter stated that the rents are restricted by a predevelopment loan from MOHCD to rents below the categories

requested in the CTCAC application. You explained that based on the actual AMI levels, the average targeted income for the project would be 39.4% AMI. For the rent overburden requirement, you stated that you inadvertently selected 35% AMI instead of 50% AMI in the Point System worksheet. The appeal letter explained that based on the new MOHCD financing, all rents charged to the tenants will be less than the maximum CTCAC rents for each selected AMI level. You also attached a letter from Novogradac supporting the capture rate of qualifying households. The appeal did not appeal the application failing to meet the vacancy rate requirement of 10%.

Following review of the appeal letter, the application, and CTCAC regulations, I find that while another agency may have deeper targeting requirements, the calculation of the 40% AMI average income targeting requirement is based on the targeted AMI levels, not the AMI levels based on the actual rents. With regard to rent overburden requirement, I find that the supplemental documentation from Novogradac submitted with your appeal clarifies the demand those households that would not experience rent overburden and correct the targeted AMI levels in accordance with the application. With that said, CTCAC Regulations Section 10322(e) states, "No additional documents pertaining to: the Basic or Additional Threshold Requirements; scoring categories; and any application submission requirements pursuant to these regulations and the application form shall be accepted after the application-filing deadline unless the Executive Director, at his or her sole discretion, determines that the deficiency is an application omission of either a document existing as of the application-filing deadline, or a document certifying to a condition existing at the time of the application-filing deadline." It is not clear that the Novogradac supplemental documentation is a document certifying to a condition existing at the time of the application-filing deadline. As a result, the appeal for failure to meet the 40% AMI average targeted income requirement and the appeal for failure to demonstrate that the targeted population will not be rent overburdened are not granted. While you did not appeal the application failing to meet the vacancy rate requirement of 10%, when corrected, it does not appear to impact the 15-year pro forma.

Service Amenities

The appeal letter stated that the description of the program and services is located in the Service Provider Service Plan and point to other documents within Tab 24 for the number of hours. You explained that Bernal Heights Neighborhood Center is an affiliated organization as the general partner and attached a certification of services plan from the Executive Director.

Following review of the appeal letter, the application, and CTCAC regulations, I find that while there is no separate position description for the Service Coordinator/Other Services Specialist, there is a brief description of the service connector and the cover sheet confirms the 0.375 FTE. However, I was unable to confirm the number of hours for the adult educational, health and wellness, or skill building classes that corresponds with the 260 hours referenced in Attachment 24. Furthermore, there is a reference to services provided off-site though it was not clear how many hours would be provided. As a result, the appeal is granted for the service coordinator and not granted for the adult educational, health and wellness, or skill building classes.

Readiness to Proceed

The appeal letter stated that US Bank is committed to providing funding for the project but acknowledged that MOHCD requires applicants to go through a formal RFP process for lenders after receipt of an award of tax credits. You included an updated commitment letter from US Bank to provide additional clarification.

Following review of the appeal letter, the application, and CTCAC regulations, I concur with staff's determination for the reasons previously stated. While the appeal letter included a letter from US Bank, the letter is dated March 18, 2024, after the application filing deadline. CTCAC Regulations Section 10322(e) states, "No additional documents pertaining to: the Basic or Additional Threshold Requirements; scoring categories; and any application submission requirements pursuant to these regulations and the application form shall be accepted after the application-filing deadline unless the Executive Director, at his or her sole discretion, determines that the deficiency is an application omission of either a document existing as of the application-filing deadline, or a document certifying to a condition existing at the time of the application-filing deadline." It is not clear that the March 18, 2024 letter is a document certifying to a condition existing at the time of the application-filing deadline. As a result, the appeal is not granted.

Credit Reduction

The appeal letter stated that the MOHCD commitment was based on project costs from January 2024 and was an "up to" amount with MOHCD intended to be the gap filler. You included \$15,814,553 in the tiebreaker since it represents the current estimated amount of the MOHCD gap loan that will be needed to construct the project and requested that CTCAC use the tiebreaker amount to calculate the \$2,499,477 in annual federal credits.

Following review of the appeal letter, the application, and CTCAC regulations, I concur with staff's determination for the reasons previously stated. Given the project is committed \$15,817,553 from the MOHCD, staff appropriately reduced the credit request to an amount necessary for feasibility. As a result, the appeal is not granted.

If you wish to appeal this decision, you may email your appeal in writing to Executive Director Marina Wiant at marina.wiant@treasurer.ca.gov and cc me at azeto@treasurer.ca.gov. Your appeal must be received by CTCAC no later than April 2, 2024. Please feel free to contact me at azeto@treasurer.ca.gov should you have any questions or concerns.

Sincerely,



Anthony Zeto
Deputy Executive Director



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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EXECUTIVE DIRECTOR
Marina Wiant

REVISED

March 25, 2024

Gina Dacus
3300 Mission Partners L.P.
515 Cortland Avenue
San Francisco, CA 94110

E-mail: gdacus@bhnc.org
info@bhnc.org
tcdced@outlook.com
andrewhite@mitchelville.com

RE: CA-24-003 / 3300 Mission Street

Dear Gina Dacus,

Following your submission for the California Tax Credit Allocation Committee (CTCAC) first 2024 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comment. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

Table with 3 columns: Item, Points Requested, Points Awarded. Rows include General Partner Experience, Management Experience, Housing Needs, Site Amenities, Service Amenities, Lowest Income, Readiness to Proceed, Miscellaneous Federal and State Policies, and a TOTAL row.

CTCAC staff reduced the Housing Needs point category by ten (10) points because the average targeted income as shown in the e-application is 47.4%. As per CTCAC Regulation Section 10325(g)(5)(A), for SRO projects, the average targeted income must be no more than 40% of the area median income. Furthermore, a ten percent (10%) vacancy rate shall be used unless otherwise approved by the Executive Director. CTCAC staff was unable to locate documentation of this.

In addition, the application does not demonstrate that the target population will not be rent overburdened, as there is no rental subsidy for this project. CTCAC Regulation Section 10325(g)(3)(C) defines rent overburden as when the targeted rent is more than 30% of the target population(s) income. The income levels used for calculation of demand in the market study included \$22,680-\$32,525 for the 25% AMI units, \$34,050-\$45,535 for the 35% AMI units, and \$52,350-\$78,060 for the 60% AMI units. Within the ranges provided, annual incomes below \$30,240, \$45,400, and \$69,800 respectively result in rent overburden, which means the potential tenant population used in the Market Study to calculate the demand, capture rate, and penetration rate is based off tenants who would be rent overburdened.

CTCAC staff reduced the Service Amenities point category by five (5) points. As per CTCAC Regulation Section 10325(c)(4)(B), documentation for services provided shall be in the form of a contract for services, Memorandum of Understanding (MOU), or commitment letter on agency letterhead and must describe the services to be provided and the number of hours services will be provided. The Service Provider Plan from Bernal Heights Neighborhood Center did not include the number of hours of service nor the description of the services for the adult educational, health and wellness, or skill building classes in the format required.

CTCAC staff reduced the Readiness to Proceed point category by ten (10) points. CTCAC staff noted that the letter from US Bank for the construction loan states, "US Bank is willing to consider" providing the construction financing. As a result, the project does not have an enforceable commitment for all construction financing as defined in CTCAC Regulation Section 10325(f)(3).

CTCAC has calculated your Final Tie Breaker score and the score is **51.638%**.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects' scoring letters since individual letters will be sent later as the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact **Brett Andersen** after the final awards have been made.

We appreciate your interest in the Low-Income Housing Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,

A handwritten signature in blue ink that reads "Gullikson". The signature is written in a cursive style with a large, looped "G" and a small mark above the "i".

Sarah Gullikson
Development Program Manager

3300 Mission Partners L.P.

515 Cortland Avenue, San Francisco, CA 94110 || 415-206-2140 || [www.https://bhnc.org/3300-mission-street/](https://bhnc.org/3300-mission-street/)

Anthony Zeto
California Tax Credit Allocation Committee
901 P Street, Suite 213A
Sacramento, CA 95814
anthony.zeto@treasurer.ca.gov

RE: Disqualification Appeal
CA-23-003 / 3300 Mission Street

Dear Mr. Zeto:

This letter is in response to the California Tax Credit Allocation Committee's (CTCAC) disqualification letter dated March 14, 2024 and the related scoring letter also dated March 14, 2024, for the above referenced project.

The disqualification letter states CTCAC staff has determined that the project as presented in the application does not meet the housing type requirements and that the project is not eligible for tax credits.

3300 Mission Partners L.P. appreciates the opportunity to clarify the information as presented in the Application, and to provide an appeal on each point in the letters. We appeal all determinations made by CTCAC, as further set forth below:

Permanent Financing Amount from MOHCD (Disqualification Letter Paragraph 1).

CTCAC stated the San Francisco Mayor's Office of Housing and Community Development (MOHCD) loan amount was not accurately reflected in the application. The Commitment Letter from MOHCD dated on February 13, 2024 indicates that the project is receiving a loan not to exceed \$15,817,553. However, the application reflected the amounts of \$15,814,553 in the tiebreaker and \$15,810,178 in permanent financing.

Applicant Response

The amount in the MOHCD commitment was based on Project costs from January 2024 and it was an "up to" amount with MOHCD intended to be the gap filler. We included \$15,814,553 in the tiebreaker since it represents the current estimated amount of the MOHCD gap loan that will be needed to construct the Project. We request that TCAC use the tiebreaker amount to calculate the annual federal credits for the project and the \$2,499,477 tax credit amount.

Rent Burden (Disqualification Letter Paragraph 2; Points Letter Paragraph 3)

CTCAC stated the application does not demonstrate that the population for the unsubsidized SRO units can pay the proposed rents.

Applicant Response

As an initial response, we inadvertently selected 35% AMI instead of 50% AMI in the Application Workbook's Points Systems Tab, Section D(1). The 10 units identified at 35% AMI in the scoring tab should be revised to 50% AMI units. (Note that the incorrect selection of 35% AMI was not carried throughout the application. For example in our rent table we show 46.5% AMI, which is MOHCD's 50% as further explained below.)

In addition, due to our current predevelopment loan agreement with MOHCD, the new MOHCD funding commitment included in our application and related regulatory agreements, all rents charged to the tenants will be less than the maximum TCAC rents for each selected AMI. MOHCD's income levels and rents are kept lower than TCAC as shown below. TCAC's application form, however, does not allow for an applicant to select the exact AMI and we had to round up on each income limit. Based on the project's funding from MOHCD, below are the actual AMI% based on the rents proposed and required by MOHCD.

MOHCD 30% AMI = 23.2% of actual TCAC AMI% , proposed MOHCD 30% rent w/ UA is \$756

MOHCD 50% AMI = 46.5% of actual TCAC AMI%, proposed MOHCD 60% rent w/ UA is \$1,513

MOHCD 80% AMI = 50.7% of actual TCAC AMI%, proposed MOHCD 80% rent w/ UA is \$1,650

See also Novogradac's (the Market Study provider) response attached to this letter, which demonstrates that there is sufficient capture rate of qualifying households, excluding rent burdened households based on the MOHCD rents and income levels. Consequently, while there is not a operating subsidy from MOHCD, its requirement that we keep rents and income levels lower than TCAC rents and income works to eliminate rent overburden for qualifying tenants.

With respect to our selection of 35% instead of 50%, we ask that TCAC disregard the clerical error because the inconsistency was not carried throughout the application.

40% Average Income (Disqualification Letter Paragraph 3, Points Letter Paragraph 2)

CTCAC stated the average income does not meet threshold per CTCAC Regulation Section 10325(g)(5)(A) and 10315(h), which requires the average targeted income for SRO projects must be no more than 40% of the area median income.

Applicant Response

The average incomes provided in the Application are based on the proposed rents and the MOHCD requirements based on a predevelopment loan which restricts the rents significantly below the categories available for selection on the TCAC AMI Restriction table. Based on the TCAC Restriction table, there isn't the ability to create the actual AMIs for the three categories of units which are: 23.2% AMI, 46.5% AMI and 50.7% AMI. If these actual AMIs are used then the average targeted income for the project is 39.4%.

Service Amenities (Points Letter Paragraph 4)

CTCAC staff reduced the Service Amenities point category by ten (10) points. As per CTCAC Regulation Section 10325(c)(4)(B), documentation for services provided shall be in the form of a contract for services, Memorandum of Understanding (MOU), or commitment letter on agency letterhead and must describe the services to be provided and the number of hours services will be provided. The Service Provider Plan from Bernal Heights Neighborhood Center did not include the number of hours of service nor the description of the services and was not in the format required. In addition, the required position description for the Service Coordinator/Other Services Specialist was not included in the application.

Applicant Response

The description of the program and services provided by Bernal Heights Neighborhood Center ("BHNC") for the application is on BHNC letterhead as required by the Regulations and can be found in the document labeled as "TAB 24 - Service Provider Service Plan_3300 Mission". The first paragraph of the service plan on BHNC letterhead states that "[BHNC] will serve as the primary service provider. " and as such represents a commitment to provide the services as required by TCAC. The plan then goes on to describe the services to be provided.

Services to be provided by the "service connector" are outlined in the section titled "Service Connection". The number of hours provided by the service connector position can be found in the cover sheet for TAB 24, labeled as "TAB 24 Cover page" – a .375 FTE at 15 hours per week. Also as stated in the cover sheet, the total amount of services provided will be 0.5 FTE or 20 hours, with the remaining .125 FTE or 5 hours provided by other BHNC programs such as the Employment program as identified in the services plan.

In addition, BHNC is an affiliated organization of Bernal Heights Housing Corporation ("BHHC") and both share the same Executive Director. BHHC is one of the entities that makes up the general partner of the Applicant. That affiliation between the service provider and the Applicant provides evidence of the commitment of service by BHNC to the project. We have also attached a Certification of Services Plan from the Executive Director.

Readiness to Proceed (Points Letter Paragraph 5)

CTCAC staff reduced the Readiness to Proceed point category by ten (10) points. CTCAC staff noted that the letter from US Bank for the construction loan states, "US Bank is willing to consider" providing the construction financing. As a result, the project does not have an enforceable commitment for all construction financing as defined in CTCAC Regulation Section 10325(f)(3).

US Bank has many years of experience in providing commitment letters for TCAC applications and is committed to providing funding for the Project but its language acknowledged that MOHCD requires applicants to go through a formal RFP process for lenders after receipt of an award of tax credits. See revised language in the attached Commitment letter from US Bank, which does not change US Bank's position but clarifies it.

Thank you for your consideration of this request. While complex, the project is consistent with all applicable regulations, and we appreciate the opportunity to clarify its consistency. If you have any questions, please do not hesitate to call Gina Dacus at 415-206-2140, or Andre White at 843-338-3811.

Sincerely,

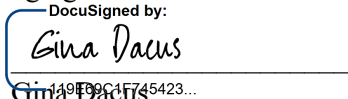
3300 MISSION STREET L.P.,
a California limited liability company

By: Tabernacle Alliance LLC,
a California limited liability company

Its: Managing General Partner

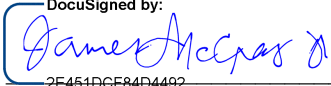
By: Bernal Heights Housing Corporation,
a California nonprofit public benefit corporation

Its: Co-Managing Member

By: 
Gina Dacus
Its: Executive Director

By: Tabernacle Community Development Corporation,
a California nonprofit public benefit corporation

Its: Co-Managing Member

By: 
2E451DGF84D4492...
James McCray Jr.
Its: Executive Director

ATTACHMENTS:

Novogradac Letter re: Market Study
Bernal Heights Neighborhood Center Certification re: Services
US Bank updated Commitment Letter



March 19, 2024

Connie Xie
Bernal Heights Neighborhood Center
515 Cortland Avenue
San Francisco, CA 94110

And

Sarah Gullikson
Development Program Manager
California Tax Credit Allocation Committee (CTCAC)
901 P Street, Suite 213A Sacramento, CA 95814

RE: Response to Comments Received Regarding the TCAC Market Study of 3300 Mission, San Francisco, CA

Dear Connie Xie and Sarah Gullikson:

At your request, Novogradac & Company LLP doing business under the brand name Novogradac Consulting (Novogradac) has prepared additional context relating to the market study for 3300 Mission, effective December 21, 2023, in response to a letter from CTCAC dated March 14, 2024.

Summary of Work Completed

- We were engaged by Bernal Heights Neighborhood Center on December 5, 2023 to complete a TCAC application Market Study of the above-referenced property. The work was completed between December 2023 and February 2024, with the final version delivered to the client on February 6, 2024.
- On March 14, 2024, we received initial review comments provided by the client, from Sarah Gullikson, Development Program Manager with CTCAC. These comments were received via email.

CTCAC Comments

Comment #1

CTCAC staff has also determined that the project as presented in the application does meet the additional threshold requirements outlined in CTCAC Regulation Section 10325(g). Specifically, the application does not demonstrate that the population for the unsubsidized SRO units can pay the proposed rents. CTCAC Regulation Section 10325(g)(3)(C) defines rent overburden as when the targeted rent is more than 30% of the target population(s) income. The income levels used for calculation of demand in the market study included \$22,680-\$32,525 for the 25% AMI units, \$34,050-\$45,535 for the 35% AMI units, and \$52,350-\$78,060 for the 60% AMI units. Within the ranges provided, annual incomes below \$30,240, \$45,400, and \$69,800 respectively result in rent overburden, which means the potential tenant population used in the Market Study to calculate the demand, capture rate, and penetration rate is based off tenants who would be rent overburdened.

3300 Mission MS Response Letter
 March 2024
 Page 2

Novogradac Response

The *Demand Analysis* was presented based on the published CTCAC guidelines. However, due to CTCAC Regulation Section 10325(g)(3)(C), and at the client's request, we have prepared a supplemental demand estimate assuming a rent overburden of 30 percent, and it yields the following. Further, it should be noted that the client has revised the proposed AMI levels since the original study to 30, 50, and 60 percent AMI.

REVISED INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@50%		@60%	
OBR	\$30,240	\$39,030	\$60,520	\$65,050	\$66,000	\$78,060

REVISED RENTER INCOME DISTRIBUTION

Income Cohort	Total Renter Households	@30%			@50%			@60%			All Units		
		cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort	cohort overlap	% in cohort	# in cohort
\$0-\$9,999	1,112												
\$10,000-\$19,999	2,034												
\$20,000-\$29,999	1,842												
\$30,000-\$39,999	1,766	\$8,790	87.9%	1,552						\$8,790	87.9%	1,552	
\$40,000-\$49,999	1,266												
\$50,000-\$59,999	1,090												
\$60,000-\$74,999	1,470				\$4,530	30.2%	444	\$8,999	60.0%	882	\$13,529	90.2%	1,326
\$75,000-\$99,999	2,473							\$3,060	12.2%	303	\$3,060	12.2%	303
\$100,000-\$124,999	2,551												
\$125,000-\$149,999	2,406												
\$150,000-\$199,999	3,597												
\$200,000-\$250,000	9,811												
Total	31,418		4.9%	1,552		1.4%	444		3.8%	1,185		10.1%	3,181

Based on this analysis, using 2023 income and demographic data, at the 30, 50, and 60 percent AMI levels, 4.9, 1.4, and 3.8 percent, respectively, of renter households income-qualify to reside at the Subject. Overall, 10.1 percent of renter households in the PMA are income eligible to reside at the Subject, excluding those that would be rent overburdened. We will apply these percentages to the year 2023 calculation of the number of renter households that are income-eligible at each AMI level.

TOTAL DEMAND FROM EXISTING AND NEW RENTER HOUSEHOLDS

The steps have been detailed and all inputs have been determined in order to calculate the annual demand from existing rental households at each AMI level and bedroom type. Our calculations and conclusions are as follows:

3300 Mission MS Response Letter
 March 2024
 Page 3

30% AMI

Demand For Units @30% AMI Level Family				
Number of Existing Renter Households for the Current Year				31,418
Number of Income Qualified Renter Households	31,418	*	4.9%	= 1,552
Movership or Turnover Rate	1,552	*	20.0%	= 310
Number of Appropriate Sized Renter Households				
SRO Unit	310	*	39.1%	= 121
Estimated Annual Demand from Existing Rental Households				
SRO Unit				121
Total				121
Number of new, additional Renter Households by June 2026	<u>Market Entry</u> 31,161		<u>2023</u> 31,418	= -257
Annual Renter Household Growth	-257	/	2.92	= -88
Number of Income Qualified Renter Households	-88	*	4.9%	= -4
Number of Appropriate Sized Renter Households				
SRO	-4	*	39.1%	= -2
Estimated Annual Demand from New Rental Households				
SRO				-2
Total				-2
Total Demand from Existing and New Households				
	Existing	+	New	= Total
SRO	121	+	-2	= 120
Total				120
Capture Rate - @30% AMI Level				
	Developer's Unit Mix	/	Total Demand	= Total
SRO Unit	11	/	120	= 9.2%
OVERALL	11	/	120	= 9.2%

The Subject's overall capture rate for the 30 percent AMI level units is 9.2 percent.

3300 Mission MS Response Letter
 March 2024
 Page 4

50% AMI

Demand For Units @50% AMI Level Family				
Number of Existing Renter Households for the Current Year				31,418
Number of Income Qualified Renter Households	31,418	*	1.4%	= 444
Movership or Turnover Rate	444	*	20.0%	= 89
Number of Appropriate Sized Renter Households				
SRO Unit	89	*	39.1%	= 35
Estimated Annual Demand from Existing Rental Households				
SRO Unit				35
Total				35
Number of new, additional Renter Households by June 2026	<u>Market Entry</u> 31,161		<u>2023</u> 31,418	= -257
Annual Renter Household Growth	-257	/	2.92	= -88
Number of Income Qualified Renter Households	-88	*	1.4%	= -1
Number of Appropriate Sized Renter Households				
SRO	-1	*	39.1%	= 0
Estimated Annual Demand from New Rental Households				
SRO				0
Total				0
Total Demand from Existing and New Households				
	Existing	+	New	= Total
SRO	35	+	0	= 34
Total				34
Capture Rate - @50% AMI Level				
	Developer's Unit Mix	/	Total Demand	= Total
SRO Unit	10	/	34	= 29.2%
OVERALL	10	/	34	= 29.2%

The Subject's overall capture rate for the 50 percent AMI level units is 29.2 percent.

3300 Mission MS Response Letter
 March 2024
 Page 5

60% AMI

Demand For Units @60% AMI Level				
Family				
Number of Existing Renter Households for the Current Year				31,418
Number of Income Qualified Renter Households	31,418	*	3.8%	= 1,185
Movership or Turnover Rate	1,185	*	20.0%	= 237
Number of Appropriate Sized Renter Households				
SRO Unit	237	*	39.1%	= 93
Estimated Annual Demand from Existing Rental Households				
SRO Unit				93
Total				93
Number of new, additional Renter Households by June 2026	<u>Market Entry</u> 31,161		<u>2023</u> 31,418	= -257
Annual Renter Household Growth	-257	/	2.92	= -88
Number of Income Qualified Renter Households	-88	*	3.8%	= -3
Number of Appropriate Sized Renter Households				
SRO	-3	*	39.1%	= -1
Estimated Annual Demand from New Rental Households				
SRO				-1
Total				-1
Total Demand from Existing and New Households				
	Existing	+	New	= Total
SRO	93	+	-1	= 91
Total				91
Capture Rate - @60% AMI Level				
	Developer's Unit Mix	/	Total Demand	= Total
SRO Unit	13	/	91	= 14.2%
OVERALL	13	/	91	= 14.2%

The Subject's overall capture rate for the 60 percent AMI level units is 14.2 percent.

Demand for All Units

Demand for All Units Family				
Number of Existing Renter Households for the Current Year				31,418
Number of Income Qualified Renter Households	31,418	*	10.1%	= 3,181
Movership or Turnover Rate	3,181	*	20.0%	= 636
Number of Appropriate Sized Renter Households				
SRO Unit	636	*	39.1%	= 249
Estimated Annual Demand from Existing Rental Households				
SRO Unit				249
Total				249
Number of new, additional Renter Households by June 2026	<u>Market Entry</u>		<u>2023</u>	
	31,161	-	31,418	= -257
Annual Renter Household Growth	-257	/	2.92	= -88
Number of Income Qualified Renter Households	-88	*	10.1%	= -9
Number of Appropriate Sized Renter Households				
SRO	-9	*	39.1%	= -3
Estimated Annual Demand from New Rental Households				
SRO				-3
Total				-3
Total Demand from Existing and New Households				
	Existing	+	New	= Total
SRO	249	+	-3	= 245
Total				245
Capture Rate - All Units AMI Level				
	Developer's Unit Mix	/	Total Demand	= Total
SRO Unit	34	/	245	= 13.9%
OVERALL	34	/	245	= 13.9%

The Subject's overall capture rate for all LIHTC units is 13.9 percent. These calculations derive an estimate of capture rate required to lease the Subject. Total demand, both currently present and moving into the market, is adjusted for income eligibility and renter status. The demand estimate calculates the number of affordable SRO units that are needed in the market to satisfy the number of renter households living in these unit sizes. In this case it represents 95 units. The capture rate is the percentage that the Subject will capture of this demand. A number below 100 percent is a positive indicator and represents an expected absorption rate of less than one year. A number greater than 100 percent indicates an absorption pace longer than one year. The above calculation generates an overall capture rate of 13.9 percent, which indicates an expected absorption rate of less than one year.

Additionally, according to the client, the Subject's units will be filled through the City's lottery system. As such, we believe the demand estimates are understated, as demand for the Subject's units will pull from a larger area than the previously defined PMA. Further, we assume that approximately 15 percent of the Subject's units will be filled by voucher-holding tenants, in line with other area LIHTC properties. This equates to five units and decreases the minimum allowable income to \$0. As such, we believe the demand estimate is greatly understated utilizing the inputs shown.

PENETRATION RATE ANALYSIS

We also performed a penetration rate analysis. As indicated in the following table, there are numerous affordable properties in the Subject's PMA. The units that will compete for occupancy with the Subject have been included in our analysis.

LIHTC PROPERTIES IN PMA

Property Name	Distance	Program	Tenancy	Total Units	Competitive LIHTC Units
681 Florida Street*	1.3 miles	LIHTC	Family	130	17
2060 Folsom	1.5 miles	LIHTC	Family	127	0
480 Potrero Avenue	1.5 miles	LIHTC/Market	Family	71	0
La Fenix At 1950	1.5 miles	LIHTC/PBRA	Family	157	22
Bernal Dwellings	0.6 miles	LIHTC/PBRA	Family	160	0
Casa Adelante	0.5 miles	LIHTC	Senior	94	0
Coleridge Park Homes	0.1 miles	LIHTC	Senior	49	0
Colosimo Park Homes	0.6 miles	LIHTC/Section 8	Family	11	0
Del Carlo Court	0.4 miles	LIHTC	Family	25	0
Esperanza Apartments	1.1 miles	LIHTC/Section 8	Senior	39	0
Good Samaritan Family	1.0 mile	LIHTC	Family	20	0
Juan Pifarre Plaza	0.9 miles	LIHTC	Family	30	0
Mosaica Family Apartments	1.3 miles	LIHTC	Family	93	0
Mosaica Senior Apartments	1.3 miles	LIHTC	Senior	24	0
Padre Palou Apartments	1.5 miles	LIHTC	Family	18	0
Plaza Del Sol Apartments	1.5 miles	LIHTC	Family	59	0
Abel Gonzalez	0.5 miles	LIHTC/Section 8	Senior	30	0
Totals				1,137	39

We were able to identify 39 existing affordable units in the PMA that will directly compete with the Subject. We also searched CoStar listings, and reviewed TCAC, CDLAC, and HUD development lists for projects funded over the past three years, as being representative of current and planned affordable housing conditions. Overall, there are an additional 125 proposed or under construction units which will be competitive with the Subject.

PENETRATION RATE - METHODOLOGY TWO

Number of Proposed Competitive LIHTC Family Units in the PMA	125
	+
Number of Existing Competitive LIHTC Family Units in the PMA	39
	+
Number of Proposed Family Units at the Subject	34
	=
Total	198
	/
Income Eligible Households - All AMI Levels	3/181
	=
Overall Penetration Rate - Market Focus (NCHMA)	6.2%

The overall market penetration rate is derived by taking the number of affordable units proposed or under construction within the PMA (if applicable), combined with the number of affordable units, and the number of the Subject's units divided by the number of income eligible households. The overall penetration rate for the market is 6.2 percent. Of note, this does not account for any voucher holders that may reside at the Subject, which would greatly expand the number of income-qualified renter households.

3300 Mission MS Response Letter
March 2024
Page 8

If we can be of further assistance, or provide any additional information, please do not hesitate to contact me.

Very truly yours,
NOVOGRADAC

A handwritten signature in black ink that reads "Rachel B. Denton". The signature is written in a cursive style with a large, stylized initial "R".

Rachel B. Denton, MAI
Partner
Rachel.Denton@novoco.com
(913) 312-4612

March 15, 2024

TO: Anthony Zeto, Deputy Director
California Tax Credit Allocation Committee

FR: Gina Dacus, Executive Director
Bernal Heights Neighborhood Center
515 Cortland Ave,
San Francisco, CA 94110

RE: Certification of Services Plan for 3300 Mission

This letter is to certify that I, Gina Dacus, am the Executive Director of Bernal Heights Neighborhood Center ("BHNC"). 3300 Mission Partners L.P. submitted an application to TCAC for the 3300 Mission Project. The application included a Services Plan on BHNC letterhead as required by the TCAC Regulations. Pursuant to the Services Plan, BHNC has committed to provide services for the 3300 Mission Street project. All information required by TCAC to evidence the provision of services is found in the Services Plan and the attached Cover Sheet labelled "TAB 24 Cover Page". Specifically, the number of hours of service is provided in the Cover Page, while the position for the Service Connector is also on the Cover Page. The service description of the Service Connector is provided within the Service Plan itself, under the Service Connection section.

Please let me know if I can provide anything further.

Thank you.

DocuSigned by:

119E69C1F745423...

Gina Dacus, Executive Director
Bernal Heights Neighborhood Center



Community Lending Division

800 Nicollet Mall #300

Minneapolis, MN 55402

usbank.com/impactfinance

March 18, 2024

Andre J. White

3300 Mission Partners LP

515 Cortland Avenue

San Francisco, CA 94110

**RE: Commitment Letter for 3300 Mission Street Apartments
35 Affordable Units – San Francisco, CA
Up to \$19,492,796 in Construction Financing**

Dear Mr. White:

U.S. Bank National Association is pleased to commit for your request to provide construction financing for the 9% tax credit project, 3300 Mission Street Apartments. A summary of some of the terms U.S. Bank is considering for this financing package is displayed on the following pages. The following terms are valid through September 30, 2024, unless otherwise extended in writing, by U.S. Bank.

Sincerely,

A handwritten signature in black ink, appearing to read "Miranda Walker".

Miranda Walker

Impact Capital Manager

3300 Mission Partners LP – 3300 Mission Street Apartments

BORROWER

By: _____

Its: _____

By: _____

Its: _____

GENERAL PARTNER(S)

By: _____

Its: _____

By: _____

Its: _____

GUARANTOR(S)

By: _____

Its: _____

By: _____

Its: _____

3300 Mission Partners LP – 3300 Mission Street Apartments

**Commitment Letter
Summary of Terms and Conditions**

Borrower: 3300 Mission Partners LP (“Borrower”). The form and structure of the Borrower entity shall be subject to the review and approval of U.S. Bank and its legal counsel.

Lender: U.S. Bank National Association (“Lender” or “U.S. Bank”).

Limited Partner: To be determined

Purpose: The purpose of the loan (the “Loan”) is to provide construction financing to build 35 units, including one managers unit, of affordable housing consisting of certain property and improvements (the “Project”) in San Francisco, CA 94110.

Guarantor: 3300 Mission Partners LP (“Guarantor”). Guarantor shall be in place until all Conditions to Conversion have been met and the Convertible Term Loan has converted from the construction loan phase to the permanent loan phase (at a fixed rate), as described in the Convertible Term Loan Interest Rate and Conditions to Conversion sections. Convertible Term Loan as converted to a fixed rate in the permanent loan phase shall be secured by the First Deed of Trust and other collateral as described in the Collateral section. Guarantor covenants are required to be met at all times during which the Guarantor is in place.

Recourse: Guarantor(s) shall execute a full and unconditional repayment and completion guarantee and environmental indemnities.

Also, in the event Lender approves any reduction in or release of the repayment guaranty(ies), there will still be recourse liability for some matters, including (a) loss or damage of any kind resulting from waste, fraud or willful misrepresentations; (b) any misapplication of rental income or other income received by Borrower after given the occurrence of an event of default; (c) any personalty and fixtures improperly removed by Borrower after an event of default; (d) all legal costs and expenses reasonably incurred by U.S. Bank; (e) any amounts owed by Borrower under any indemnity provisions; (f) the losses attributable to Borrower’s failure to insure any asset(s) in accordance with the requirements of the loan documents; (g) any loss or damage of any kind resulting from violations or alleged violations of criminal laws or as a result of criminal activity whether or not in the nature of conspiracy, (h) any loss or damage of any kind resulting from violation or alleged violation of the Fraud Enforcement and Recovery Act of 2009, and/or (i) any loss resulting from Borrower’s failure to deliver Forms 8609 issued by the credit allocator by the date required to claim credits as and when projected in Borrower’s organizational documents.

Tax Credit Equity: The Project is to qualify for an allocation of 9% Low Income Housing Tax Credits. The tax credit equity contribution schedule from Equity Provider shall be acceptable to U.S. Bank CLD, with not less than 10% of total to be contributed at closing. The schedule for contribution of the required equity is subject to approval by U.S. Bank.

All contributions other than the first, which shall be made through an approved escrow company, shall be made directly to U.S. Bank for the benefit of the Borrower until the subject Loan is repaid.

3300 Mission Partners LP – 3300 Mission Street Apartments

Subordinate / Soft Funding:

All other sources of debt and grants must be approved by U.S. Bank, shall be closed prior to or concurrent with the Loan, and shall be fully subordinated to the Loan and the lien securing the Loan.

All other sources of funding shall be spent on eligible project costs or deposited with U.S. Bank before the first advance the Loan is made unless approved in writing by U.S. Bank.

Collateral:

The Loan will be secured by the following and such other collateral as is required by U.S. Bank:

1. First Deed of Trust which shall be a first lien on the Project;
2. First lien Assignment of rents, leases, service, operating, management contract, permits, escrow accounts, warranties and other contract and agreements;
3. First lien security interest in all of the furnishings, fixtures, equipment, improvements and other personal property owned by Borrower or used or useful in connection with the operation use and occupancy of the Project; and
4. Assignment of interest rate hedge agreement, if applicable.
5. Assignment of construction contracts, architect contracts, engineering contracts, and plans and specs associated with the development of the Project.
6. Assignment of all Borrower's and GP's rights to tax credits and to receive capital contributions from the LP.

No secondary liens, pledges or mortgages will be permitted without the prior written consent of U.S. Bank.

Maximum Construction Loan Amount:

During the construction period, the loan amount will be up to **\$19,492,796**

Construction Loan Interest Rate:

Interest shall accrue on the outstanding principal balance of the Loan (the "Loan Balance") at an annual rate equal to **1.92%** plus the one-month Term Secured Overnight Financing Rate ("SOFR") rate quoted by US Bank, plus term issuance premium, and adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation, the rate shall be reset monthly on the first day of each month.

As an example, on 02/05/2024 the indicative rate on the loan would be 7.25%. The actual interest rate may be more or less than that rate.

3300 Mission Partners LP – 3300 Mission Street Apartments

Construction Loan Commitment Fee:	Construction Loan: 1.00% of the loan amount
Construction Loan Term:	The construction loan period is 24 months
Construction Loan Extension Option:	One 6-month extension option conditioned on: <ul style="list-style-type: none">• No Event of Default, or event that with the giving of notice or passage of time would become an Event of Default;• Completion of the Project shall have occurred, including receipt of the final certificate of occupancy and final inspection report;• The Loan is in balance demonstrating adequate funds to complete the project per plans as approved by U.S. Bank;• U.S. Bank's receipt of an endorsement or reissuance of the title policy showing no liens or other matters not specifically permitted under the loan documents;• U.S. Bank's receipt of all required project and financial reports;• No material adverse change in the Project or the business or financial condition of the Borrower or Guarantor;• Borrower notifying U.S. Bank of its intent to exercise the Extension Option no more than 120 days prior to, but no less than 60 days prior to maturity;• All capital contributions required to be made by the LP have been made except as approved by U.S. Bank; and,• All representations and warranties made by the Borrower in the Loan Documents shall be materially true and correct as if made on and as of the date of the extension of the Maturity Date.
Construction Loan Prepayment:	Construction Period Monthly interest-only payments. A construction loan interest reserve will be included in the Construction budget to fund interest payments during Construction and achievement of conversion benchmarks.
Performance Covenants:	The Loan shall include covenants which will be determined upon further analysis of the project in final underwriting.
Lease Approval:	U.S. Bank must pre-approve the form of residential lease, which shall have an initial term of not less than 6 months.
Reappraisal:	Lender may obtain, at Borrower's expense, an appraisal of the Project at any time that (a) an Event of Default has occurred hereunder; (b) any condemnation, damage or destruction of the Project occurs, or (c) such appraisal is required by current banking laws or regulations. Borrower shall not be required to pay for more than one appraisal in any 12 month period.
Loan-to-Value:	In the event that any appraisal shall determine that the then outstanding principal balance of the Convertible Term Loan, together with the undisbursed portion of the Loan which Bank may be obligated to disburse to Borrower in accordance with the terms and conditions hereof, is greater than 80 percent of the current appraised value of the Project, Borrower must prepay, within 30 days after written notice from Bank to Borrower, the outstanding principal balance of the Loans to the extent necessary to reduce the sum of said principal balance and such amounts Lender may be obligated to disburse to Borrower hereunder down to 80 percent of the appraised value including any rental restrictions.

*3300 Mission Partners LP – 3300 Mission Street Apartments***Conditions Precedent to Close:**

The following are conditions precedent to closing the Loan each of which must be satisfied in a manner acceptable to U.S. Bank in its sole discretion.

- Appraisal to be ordered, received and accepted by U.S. Bank;
- Loan to value and loan to cost sizing of Loan based on final U.S. Bank approved budget and U.S. Bank approved appraisal;
- First mortgage/deed of trust and title insurance with required endorsements acceptable to U.S. Bank;
- ALTA/ACSM Land Title Survey meeting U.S. Bank's standard survey requirements;
- Phase I (and Phase II if needed) Environmental Reports will be reviewed by U.S. Bank. The reports must be acceptable to U.S. Bank and U.S. Bank must be entitled to rely on the report;
- Physical Needs Assessment ("PNA") /Property Condition Report ("PCR") will be reviewed by U.S. Bank. The reports must be acceptable to U.S. Bank and U.S. Bank must be entitled to rely on the report.
- Third-party seismic study determining Probable Maximum Loss (PML) to be ordered, received, reviewed, and accepted by U.S. Bank.
- Final Project operating and capital budgets to be received and approved by U.S. Bank;
- Architect's Agreement approved and assigned to U.S. Bank and assignment of the construction contract to U.S. Bank;
- Approval of the general contractor, GMAX construction contract and payment and performance bonds by U.S. Bank;
- Plans and Specifications shall have been reviewed by U.S. Bank's third-party inspector, and be in all respects acceptable to U.S. Bank;
- Standard due diligence, including sworn construction statement, subcontracts, consulting agreements, licenses, permits, evidence of zoning, soils reports, flood zone certification, etc., all acceptable to U.S. Bank;
- Approval of the property management firm and property management agreement by U.S. Bank, and assignment of the agreement;
- Evidence of property, liability, and other insurance as required by U.S. Bank;
- Borrower's and Borrower's general partner/managing member organizational documents;
- Credit/Background check for Borrower/general partner/Guarantor(s)
- Satisfactory legal opinions;
- Loan documents acceptable to U.S. Bank;
- No material adverse change in the Project or the financial condition of Borrower or any Guarantor since last financial statement was provided to U.S. Bank;

Prior to closing, the Borrower must meet all other conditions customarily required by U.S. Bank.

3300 Mission Partners LP – 3300 Mission Street Apartments

- Loan Balancing** In the event that U.S. Bank or Borrower determines that the unadvanced balance of Maximum Loan Amount is insufficient to cover any cost allocation set forth within the U.S. Bank approved budget for the Project, or to fully fund required amounts of the any required reserves, and to pay all costs to own, maintain and operate the Project, and to pay interest on the Loan through the anticipated term of the Loan, it shall notify the other party hereto of such determination, and, at U.S. Bank's option, Borrower shall be required to do any one or more of the following within five (5) business days: (i) Borrower delivers to U.S. Bank evidence deemed satisfactory by U.S. Bank, of Borrower's ability to pay all such costs and expenses through the anticipated term of the Loan; (ii) Borrower deposits with U.S. Bank funds to be the next funds disbursed hereunder for the payment of costs and expenses before any additional proceeds are advanced under the Loan; and/or (iii) reallocate sufficient funds from funds allocated to construction contingency, or other available funds.
- Assignments and Participations:** U.S. Bank may transfer, and/or grant participations in the Loans, the Loan Documents and/or the Swap Documents at any time, in whole or in part without notice to or consent of Borrower.
- Representation, Warranties and Covenants:** The Loan Documents will contain representations and warranties and covenants regarding the Borrower, Guarantor, the Project, required accounts and insurance, condemnation, and other matters.
- Usual and customary for transactions of this type to include, without limitation: corporate status, power and authority/enforceability; no violation of law or contracts or organizational documents; no material litigation; correctness of specified financial statements and no material adverse change.
- Events of Default; Rights and Remedies:** Events of Default will include, without limitation, failure to make payments when due; breach of covenants; breach of representations and warranties; bankruptcy/insolvency; judgments and attachments; and breach of certain other third party obligations.
- Indemnification:** Borrower shall indemnify U.S. Bank from and against all losses, liabilities, claims, damages or expenses relating to the loan, the Borrower's use of loan proceeds, the commitments, or the Property, including, but not limited to, environmental indemnification, reasonable attorneys' fees and settlement costs.
- Reporting Requirements:** Borrower and Guarantor shall be required to provide certain information to Lender, requirements and timing will be determined further in underwriting.



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

901 P Street, Suite 213A
Sacramento, CA 95814
p (916) 654-6340
f (916) 654-6033
www.treasurer.ca.gov/ctcac

March 14, 2024

Gina Dacus
3300 Mission Partners L.P.
515 Cortland Avenue
San Francisco, CA 94110

E-mail: gdacus@bhnc.org
info@bhnc.org
tcdced@outlook.com
andrewwhite@mitchelville.com

RE: CA-24-003 / 3300 Mission Street

Dear Gina Dacus,

California Tax Credit Allocation Committee (CTCAC) staff has determined that the San Francisco Mayor's Office of Housing and Community Development (MOHCD) loan amount was not accurately reflected in the application. The Commitment Letter from MOHCD dated on February 13, 2024 indicates that the project is receiving a loan not to exceed \$15,817,553. However, the application reflected the amounts of \$15,814,553 in the tiebreaker and \$15,810,178 in permanent financing. Staff adjusted the financing in the application to include the \$15,817,553 to match the loan commitment, which reduced the annual federal tax credit from \$2,499,477 to \$2,498,673.

CTCAC staff has also determined that the project as presented in the application does meet the additional threshold requirements outlined in CTCAC Regulation Section 10325(g). Specifically, the application does not demonstrate that the population for the unsubsidized SRO units can pay the proposed rents. CTCAC Regulation Section 10325(g)(3)(C) defines rent overburden as when the targeted rent is more than 30% of the target population(s) income. The income levels used for calculation of demand in the market study included \$22,680-\$32,525 for the 25% AMI units, \$34,050-\$45,535 for the 35% AMI units, and \$52,350-\$78,060 for the 60% AMI units. Within the ranges provided, annual incomes below \$30,240, \$45,400, and \$69,800 respectively result in rent overburden, which means the potential tenant population used in the Market Study to calculate the demand, capture rate, and penetration rate is based off tenants who would be rent overburdened.

MEMBERS

FIONA MA, CPA, CHAIR
State Treasurer

MALIA M. COHEN
State Controller

JOE STEPHENSHAW
Director of Finance

GUSTAVO VELASQUEZ
Director of HCD

TIENA JOHNSON HALL
Executive Director of CalHFA

EXECUTIVE DIRECTOR
Marina Wiant

In addition, as per CTCAC Regulation Section 10325(g)(5)(A), the average targeted income for SRO projects must be no more than 40% of the area median income. The average targeted income as presented in the e-application is 47.4%. As a result, the housing type requirements are not met and the project is not eligible for tax credits per CTCAC Regulations Section 10315(h).

Based on this determination, this project has been disqualified and no further review of the project will be performed, nor will it be considered for tax credits in this cycle. The review of the application may have determined other application deficiencies not included. If you would like to formally appeal staff's determination, you must do so in writing, and it must be received by CTCAC no later than March 19, 2024. Your appeal must be addressed via email to Anthony Zeto, Deputy Director, at anthony.zeto@treasurer.ca.gov. Your appeal should specifically identify the grounds for the appeal based on the existing documentation submitted in your originally filed application. No fee is required for this appeal.

Sincerely,

A handwritten signature in blue ink that reads "Gullikson". The signature is written in a cursive style with a small star-like mark above the 'i'.

Sarah Gullikson
Development Program Manager



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Executive Director of CalHFA

EXECUTIVE DIRECTOR
Marina Wiant

March 14, 2024

Gina Dacus
3300 Mission Partners L.P.
515 Cortland Avenue
San Francisco, CA 94110

E-mail: gdacus@bhnc.org
info@bhnc.org
tcdced@outlook.com
andrewwhite@mitchelville.com

RE: CA-24-003 / 3300 Mission Street

Dear Gina Dacus,

Following your submission for the California Tax Credit Allocation Committee (CTCAC) first 2024 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comment. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

	<u>Points Requested</u>	<u>Points Awarded</u>
1. General Partner Experience	7	7
2. Management Experience	3	3
3. Housing Needs	10	0
4. Site Amenities	15	15
5. Service Amenities	10	0
6. Lowest Income	52	52
7. Readiness to Proceed	10	0
8. Miscellaneous Federal and State Policies	2	2
TOTAL	109	79

CTCAC staff reduced the Housing Needs point category by ten (10) points because the average targeted income as shown in the e-application is 47.4%. As per CTCAC Regulation Section 10325(g)(5)(A), for SRO projects, the average targeted income must be no more than 40% of the area median income. Furthermore, a ten percent (10%) vacancy rate shall be used unless otherwise approved by the Executive Director. CTCAC staff was unable to locate documentation of this.

In addition, the application does not demonstrate that the target population will not be rent overburdened, as there is no rental subsidy for this project. CTCAC Regulation Section 10325(g)(3)(C) defines rent overburden as when the targeted rent is more than 30% of the target population(s) income. The income levels used for calculation of demand in the market study included \$22,680-\$32,525 for the 25% AMI units, \$34,050-\$45,535 for the 35% AMI units, and \$52,350-\$78,060 for the 60% AMI units. Within the ranges provided, annual incomes below \$30,240, \$45,400, and \$69,800 respectively result in rent overburden, which means the potential tenant population used in the Market Study to calculate the demand, capture rate, and penetration rate is based off tenants who would be rent overburdened.

CTCAC staff reduced the Service Amenities point category by ten (10) points. As per CTCAC Regulation Section 10325(c)(4)(B), documentation for services provided shall be in the form of a contract for services, Memorandum of Understanding (MOU), or commitment letter on agency letterhead and must describe the services to be provided and the number of hours services will be provided. The Service Provider Plan from Bernal Heights Neighborhood Center did not include the number of hours of service nor the description of the services and was not in the format required. In addition, the required position description for the Service Coordinator/Other Services Specialist was not included in the application.

CTCAC staff reduced the Readiness to Proceed point category by ten (10) points. CTCAC staff noted that the letter from US Bank for the construction loan states, "US Bank is willing to consider" providing the construction financing. As a result, the project does not have an enforceable commitment for all construction financing as defined in CTCAC Regulation Section 10325(f)(3).

CTCAC has calculated your Final Tie Breaker score and the score is **51.638%**.

You may request further clarification about the point reductions by contacting Brett Andersen at brett.andersen@treasurer.ca.gov. Staff can answer questions about the point reduction language in this letter. Staff cannot provide guidance or discuss the merits of an appeal of the scoring reductions in this letter.

If you would like to formally appeal staff's scoring, you must do so in writing, and it must be received by CTCAC no later than March 19, 2024. Your appeal must be addressed via email to Anthony Zeto, Deputy Director, at anthony.zeto@treasurer.ca.gov. Your appeal should specifically identify the grounds for the appeal based on the existing documentation submitted in your originally filed application. No fee is required for this appeal. You may not appeal any other applicant's score.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects' scoring letters since individual letters will

be sent later as the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact **Brett Andersen** after the final awards have been made.

We appreciate your interest in the Low-Income Housing Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,

A handwritten signature in blue ink that reads "Gullikson". The signature is written in a cursive style with a small mark above the 'i'.

Sarah Gullikson
Development Program Manager

Conflict Summary
May 15, 2024 CTCAC Committee Meeting

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-24-003	3300 Mission Street 3300-3308 Mission Street San Francisco, CA 94110 San Francisco County	3300 Mission Partners L.P. Gina Dacus	Tabernal Alliance LLC Gina Dacus Tabernal Alliance LLC James McCray AJJLA Housing 2 LLC Andre White	Dreamkeeper Venture LLC Gina Dacus	Oak Mission LLC Kent A. Price	US Bank - Debt SF MOHCD Residual Receipt

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

The project, 3300 Mission Street, located at 3300-3308 Mission Street in San Francisco, requested \$2,499,477 in annual federal tax credits but is being recommended for \$2,485,049 in annual federal tax credits to finance the new construction of 34 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Dreamkeeper Venture LLC and will be located in Senate District 11 and Assembly District 17.

Project Number CA-24-003

Project Name 3300 Mission Street
Site Address: 3300-3308 Mission Street
San Francisco, CA 94110
County: San Francisco
Census Tract: 253.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,499,477	\$0
Recommended:	\$2,485,049	\$0

Applicant Information

Applicant: 3300 Mission Partners L.P.
Contact: Gina Dacus
Address: 515 Cortland Avenue
San Francisco, CA 94110
Phone: 415-206-2140
Email: gdacus@bhnc.org || info@bhnc.org

General Partner(s) / Principal Owner(s): Tabernal Alliance LLC
Tabernal Alliance LLC
AJJLA Housing 2 LLC
General Partner Type: Joint Venture
Parent Company(ies): Bernal Heights Housing Corporation
Tabernacle Community Development Corporaiton
Mitchelville Real Estate Group
Developer: Dreamkeeper Venture LLC
Investor/Consultant: US Bancorp
Management Agent(s): Caritas Management Corporation

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 35
No. & % of Tax Credit Units: 34 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: None.

Information

Set-Aside: N/A
Housing Type: SRO
Geographic Area: San Francisco County
CTCAC Project Analyst: Jacob Paixao

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:	11	30%
At or Below 50% AMI:	10	25%
At or Below 60% AMI:	13	35%

Unit Mix

35 SRO/Studio Units
35 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
13 SRO/Studio	60%	\$1,650
10 SRO/Studio	50%	\$1,513
11 SRO/Studio	30%	\$756
1 SRO/Studio	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,035,304
Construction Costs	\$19,457,854
Rehabilitation Costs	\$0
Construction Contingency	\$1,758,553
Relocation	\$0
Architectural/Engineering	\$2,181,307
Const. Interest, Perm. Financing	\$3,065,110
Legal Fees	\$796,950
Reserves	\$98,976
Other Costs	\$3,492,870
Developer Fee	\$2,500,000
Commercial Costs	\$1,230,953
Total	\$38,617,878

Residential

Construction Cost Per Square Foot:	\$903
Per Unit Cost:	\$1,064,626
True Cash Per Unit Cost*:	\$1,064,626

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
US Bank	\$19,492,796	SF MOHCD ¹	\$15,817,553
San Francisco MOHCD ¹	\$15,810,177	Tax Credit Equity	\$22,800,325
Tax Credit Equity	\$3,439,905	TOTAL	\$38,617,878

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

¹Mayor's Office of Housing and Community Development

Determination of Credit Amount(s)

Requested Eligible Basis:	\$29,296,986
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$29,296,986
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,485,049
Approved Developer Fee in Project Cost:	\$2,500,000
Approved Developer Fee in Eligible Basis:	\$2,375,000
Investor/Consultant:	US Bancorp
Federal Tax Credit Factor:	\$0.91750

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

Initial:	Letter of Support
First:	SRO
Self-Score Final:	51.638%
CTCAC Final:	51.638%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$1,068,198. The applicant noted that the per unit cost is attributed to unique building constraints due to site size, resulting in higher construction cost. Additionally, the applicant noted that the project is subject to prevailing wages and is being built in the City of San Francisco, citing construction costs in this area are amongst the highest in California.

The applicant's estimate of the contractor's profit, overhead and general requirement costs exceed the limits established by regulation. At final review prior to the issuance of the IRS 8609 tax forms, any costs and basis in excess of the limit will not be allowed.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City & County of San Francisco, 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	0
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/2 mile of a pharmacy	2	2	2
In-unit high speed internet service	2	2	2
Service Amenities	10	10	10
SPECIAL NEEDS, SRO HOUSING TYPES			
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	99

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 REAPPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.



California Tax Credit Allocation Committee

AGENDA ITEM 5

Recommendation for Reservation of 2024 First Round Federal 9% and State LIHTCs

**[https://www.treasurer.ca.gov/
ctcac/2024/firstround/2024/9-
percent-prelim.pdf](https://www.treasurer.ca.gov/ctcac/2024/firstround/2024/9-percent-prelim.pdf)**

CTCAC 2024 First Round 9% Preliminary Recommendations for the Set-Aside Projects
May 15, 2024

Funding Order	Point Score	Final Tie Breaker Score	Project Number	Project Name	Project City	Housing Type	Federal Credits	State Credits
<u>NONPROFIT SET ASIDE</u>				Set-Aside Credit Available				
							\$5,603,403	
1	109.00	94.123%	CA-24-059	Oak Gardens - NPHA	Menlo Park	Special Needs	\$2,500,000	\$3,247,634
2	109.00	67.805%	CA-24-031	Alma - NPHA	Los Angeles	Special Needs	\$2,374,326	\$0
3	109.00	63.821%	CA-24-032	Willowbrook 3 - NPHA	Compton	Special Needs	\$2,500,000	\$5,698,908
							<u>\$7,374,326</u>	<u>\$8,946,542</u>
					Remaining Balance in Set-Aside		(\$1,770,923)	
<u>RURAL SET ASIDE</u>				Set-Aside Credit Available				
							\$11,206,806	
4	109.00	84.559%	CA-24-039	Eastern Ridge Apartments - RHS 514	Brawley	Large Family	\$1,341,166	\$0
5	109.00	72.015%	CA-24-045	Alvarado Senior Village - HOME	Fallbrook	Seniors	\$2,053,656	\$0
6	94.00	76.350%	CA-24-001	Elders' Place - Native American	Hoopa	Seniors	\$1,483,405	\$0
7	109.00	85.648%	CA-24-017	Arroyo Terrace	Arroyo Grande	Large Family HR	\$2,202,325	\$0
8	109.00	74.600%	CA-24-022	Smith Avenue Apartments	Lemoore	Large Family HR	\$2,282,367	\$0
9	109.00	55.695%	CA-24-048	Westgate Manor	Corcoran	At-Risk	\$736,963	\$2,449,459
10	109.00	50.731%	CA-24-008	El Dorado Haven	El Dorado	Large Family	\$2,500,000	\$8,333,333
							<u>\$12,599,882</u>	<u>\$10,782,792</u>
					Remaining Balance in Set-Aside		(\$1,393,076)	
<u>AT-RISK SET-ASIDE</u>				Set-Aside Credit Available				
							\$2,751,702	
11	109.00	31.052%	CA-24-036	Normandie Villas Apartments	Los Angeles	At-Risk	\$1,045,752	\$3,449,726
12	109.00	26.481%	CA-24-055	MCA#3 Apartments	Los Angeles	At-Risk	\$707,022	\$2,335,651
							<u>\$1,752,774</u>	<u>\$5,785,377</u>
					Remaining Balance in Set-Aside		\$998,928	
<u>SPECIAL NEEDS SET-ASIDE</u>				Set-Aside Credit Available				
							\$2,201,361	
13	109.00	68.818%	CA-24-044	18722 Sherman Way	Los Angeles	Special Needs	\$2,500,000	\$6,893,775
							<u>\$2,500,000</u>	<u>\$6,893,775</u>
					Remaining Balance in Set-Aside		(\$298,639)	
						Total Annual Federal Credits from Set Aside Projects	\$24,226,982	Total State Credits from Set Aside Projects \$32,408,486

The information presented here is preliminary and is made available for informational purposes only. The information is not binding on CTCAC or its staff. It does not represent any final decision of CTCAC and should not be relied upon as such. Interested parties are cautioned that any action taken in reliance on the preliminary information is taken at the parties' own risk as the information presented is subject to change at any time until formally adopted by CTCAC at a duly noticed meeting.

CTCAC 2024 First Round 9% Preliminary Recommendations for the Geographic Regions
 May 15, 2024

Funding Order	Point Score	Final Tie Breaker Score	Project Number	Project Name	Housing Type	Federal Credits	State Credits	Federal/State
<u>SAN FRANCISCO COUNTY</u>				Geographic Region Credit Available \$6,292,778				
<u>NO RECOMMENDED PROJECTS IN GEOGRAPHIC REGION</u>						\$0	\$0	\$0
						Remaining Balance in Geographic Region		\$6,292,778
<u>NORTHERN REGION</u>				Geographic Region Credit Available \$1,129,203				
14	109.00	57.540%	CA-24-006	Center of Hope Apartments II	Large Family	\$1,129,203	\$0	\$1,129,203
						\$1,129,203	\$0	\$1,129,203
						Remaining Balance in Geographic Region		\$0
<u>CENTRAL COAST REGION</u>				Geographic Region Credit Available \$2,918,682				
15	109.00	53.233%	CA-24-018	Monterey Senior (AKA Monterey Crossing Senior)	Seniors	\$2,488,338	\$0	\$2,488,338
						\$2,488,338	\$0	\$2,488,338
						Remaining Balance in Geographic Region		\$430,344
<u>CAPITAL REGION</u>				Geographic Region Credit Available \$1,516,887				
16	109.00	42.787%	CA-24-004	Beech Hill Apartments	Large Family HR	\$1,117,801	\$0	\$1,117,801
						\$1,117,801	\$0	\$1,117,801
						Remaining Balance in Geographic Region		\$399,086
<u>SOUTH AND WEST BAY REGION</u>				Geographic Region Credit Available \$1,702,590				
17	109.00	123.092%	CA-24-069	Hawthorn Senior Apartments	Seniors	\$2,127,500	\$0	\$2,127,500
						\$2,127,500	\$0	\$2,127,500
						Remaining Balance in Geographic Region		(\$424,910)

CTCAC 2024 First Round 9% Preliminary Recommendations for the Geographic Regions
 May 15, 2024

Funding Order	Point Score	Final Tie Breaker Score	Project Number	Project Name	Housing Type	Federal Credits	State Credits	Federal/State
<u>ORANGE COUNTY</u>				Geographic Region Credit Available \$0				
<u>NO RECOMMENDED PROJECTS IN GEOGRAPHIC REGION</u>						\$0	\$0	\$0
						Remaining Balance in Geographic Region		\$0
<u>EAST BAY REGION</u>				Geographic Region Credit Available \$1,904,772				
18	109.00	69.825%	CA-24-033	Legacy Court	Large Family	\$2,380,964	\$0	\$2,380,964
						\$2,380,964	\$0	\$2,380,964
						Remaining Balance in Geographic Region		(\$476,192)
<u>INLAND EMPIRE REGION</u>				Geographic Region Credit Available \$1,339,546				
<u>NO RECOMMENDED PROJECTS IN GEOGRAPHIC REGION</u>						\$0	\$0	\$0
						Remaining Balance in Geographic Region		\$1,339,546
<u>SAN DIEGO COUNTY</u>				Geographic Region Credit Available \$3,429,253				
19	109.00	80.770%	CA-24-038	Terrasini	Seniors	\$2,123,923	\$0	\$2,123,923
23	109.00	50.410%	CA-24-052	Fox Point Farms	Large Family	\$2,150,796	\$0	\$2,150,796
						\$4,274,719	\$0	\$4,274,719
						Remaining Balance in Geographic Region		(\$845,466)
<u>CENTRAL VALLEY REGION</u>				Geographic Region Credit Available \$1,316,515				
20	109.00	62.614%	CA-24-037	Auburn Street	Large Family HR	\$1,645,000	\$0	\$1,645,000
						\$1,645,000	\$0	\$1,645,000
						Remaining Balance in Geographic Region		(\$328,485)

CTCAC 2024 First Round 9% Preliminary Recommendations for the Geographic Regions
 May 15, 2024

Funding Order	Point Score	Final Tie Breaker Score	Project Number	Project Name	Housing Type	Federal Credits	State Credits	Federal/State
<u>BALANCE OF LOS ANGELES COUNTY</u>				Geographic Region Credit Available \$4,885,830				
21	109.00	66.632%	CA-24-054	300 Alamitos	Seniors	\$2,500,000	\$10,944,628	\$3,594,463
24	109.00	60.163%	CA-24-028	Piedmont Glendale	Seniors	\$2,500,000	\$0	\$2,500,000
						\$5,000,000	\$10,944,628	\$6,094,463
						Remaining Balance in Geographic Region		(\$1,208,633)
<u>CITY OF LOS ANGELES</u>				Geographic Region Credit Available \$9,095,063				
22	109.00	44.985%	CA-24-015	The Rigby	Special Needs	\$2,500,000	\$14,750,888	\$3,975,089
25	109.00	44.786%	CA-24-053	Jordan Downs Phase S5	Large Family	\$2,500,000	\$12,924,739	\$3,792,474
26	104.00	99.329%	CA-24-026	HHH New Hampshire	Special Needs	\$2,500,000	\$8,915,983	\$3,391,598
						\$7,500,000	\$36,591,610	\$11,159,161
						Remaining Balance in Geographic Region		(\$2,064,098)
						Total Annual Federal Credits from Geographic Regions	Total State Credits from Geographic Regions	Total Federal/State from Geographic Regions
						\$27,663,525	\$47,536,238	\$32,417,149

The information presented here is preliminary and is made available for informational purposes only. The information is not binding on CTCAC or its staff. It does not represent any final decision of CTCAC and should not be relied upon as such. Interested parties are cautioned that any action taken in reliance on the preliminary information is taken at the parties' own risk as the information presented is subject to change at any time until formally adopted by CTCAC at a duly noticed meeting.

Conflict Summary
May 15, 2024 CTCAC Committee Meeting

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-24-001	Elders' Place Vacant parcels south of Hostler Field Road Hoopa, CA 95546 Humboldt County	Elders' Place LP Darcy Padilla	Hoopa Valley Housing Authority Darcy Padilla	Hoopa Valley Housing Authority Darcy Padilla	Hoopa Valley Housing Authority Darcy Padilla	Hoopa Valley Housing Authority GP
CA-24-004	Beech Hill Apartments 8789 Greenback Lane Orangevale , CA 95662 Sacramento County	Pacific Housing, Inc. Mark Wiese	Pacific Housing, Inc. Mark Wiese	Pacific Housing, Inc. Mark Wiese	Sawad and Lee Boochangkool Sawad and Lee Boochangkool	Lument Sacramento Housing and Redevelopment Agency
CA-24-006	Center of Hope Apartments II 2303 Alfreda Way Redding, CA 96002 Shasta County	Center of Hope Apartments II, LP Daniel Knott	Community Revitalization and Development Corporation David Rutledge Center of Hope Apartments II, LLC Daniel Knott	ADK Properties LLC Daniel Knott	The McConnell Foundation John Mancasola	Citibank City of Redding HCD - NPLH Shasta County
CA-24-008	El Dorado Haven 6500 Pleasant Valley Road El Dorado, CA 95619 El Dorado County	Mercy Housing California Richard C. Ciraulo	Mercy Housing California 102 LLC Richard C Ciraulo	Mercy Housing California Richard C. Ciraulo	El Dorado County Federated Church William Ettich	Wells Fargo Bank
CA-24-015	The Rigby 15314 Rayen Street Los Angeles, CA 91343 Los Angeles County	Abbey Road, Inc Maura Johnson	The Rigby Abbey Road, LLC Maura Johnson	Abbey Road, Inc. Maura Johnson	Penny Lane Centers Wendy Carpenter	JP Morgan Chase LAHD - HHH LACDA - AHTF HCD - IIG CCRC
CA-24-017	Arroyo Terrace 700 North Oak Park Boulevard Arroyo Grande, CA 93420 San Luis Obispo County	Arroyo Terrace LP Ken Litzinger	San Luis Obispo Nonprofit Housing Corporation Ken Litzinger	San Luis Obispo Nonprofit Housing Corporation Ken Litzinger	Housing Authority San Luis Obispo Scott Collins	Banc of California Housing Authority of SLO HCD - MHP
CA-24-018	Monterey Senior (aka Monterey Crossing Senior) 1480 Monterey Street San Luis Obispo, CA 93401 San Luis Obispo County	UPMO Senior SLO, LP Ken Litzinger	San Luis Obispo Non-profit Housing Corporation Ken Litzinger The Fort Group, LLC Jim Rendler	San Luis Obispo Non-profit Housing Corporation Ken Litzinger	Housing Authority of San Luis Obispo Michelle Pedigo	Banc of California City Of San Luis Obispo HASLO
CA-24-022	Smith Avenue Apartments 532 Oleander Avenue Lemoore, CA 93245 Kings County	Lemoore Family Associates, LP Caleb Roope	Central Valley Coalition for Affordable Housing Christina Alley TPC Holdings IX, LLC Caleb Roope	Pacific West Communities, Inc. Caleb Roope	AMG & Associates, LLC Alexis Gevorgian	California Bank & Trust HCD
CA-24-026	HHH New Hampshire 701 S. New Hampshire Ave Los Angeles, CA 90005 Los Angeles County	BRIDGE New Hampshire LLC Sierra Atilano	BRIDGE New Hampshire LLC Sierra Atilano	BRIDGE Housing Corporation Sierra Atilano	Children's Institute Inc. Eugene Straub	Key Bank LAHD HCD - AHSC
CA-24-028	Piedmont Glendale 426 Piedmont Avenue and 507 507 Naranja Drive Glendale, CA 91206 Los Angeles County	Piedmont Glendale, LP Welton Jordan	Piedmont Glendale EAH, LLC Welton Jordan EAH Community Housing Inc. Laura Hall	EAH Inc. Welton Jordan	Housing Authority of the City of Glendale Roubik R. Golanian	US Bank City of Glendale Housing Authority
CA-24-031	Alma 3518 and 3524 East 1st Street Los Angeles, CA 90063 Los Angeles County	Wakeland Alma LP Taylor Holland	Wakeland Alma LLC Rebecca Louie	Wakeland Housing and Development Corporation Rebecca Louie	Elene and Constantino Kallimanis Elene and Constantino Kallimanis	Wells Fargo LACDA - AHTF HCD - IIG

**Conflict Summary
May 15, 2024 CTCAC Committee Meeting**

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-24-032	Willowbrook 3 12611, 12617, and 12625 South Willowbrook Avenue Compton, CA 90222 Los Angeles County	Linc Housing Corporation Cecilia Ngo	Linc WB-3 Apts, LLC Cecilia Ngo	Linc Housing Corporation Cecilia Ngo	Drew Holdings LLC Jackie Clarke County of Los Angeles John T. Cooke	Bank of America LACDA
CA-24-033	Legacy Court 1243-1267, 1300-1324, and 1329 Fred Jackson Way Richmond, CA 94801 Contra Costa County	Eden Housing, Inc. and Community Housing Development Corporation of North Richmond Andrea Osgood	Legacy Court LLC Andrea Osgood	Eden Housing Inc. and Community Housing Development Corporation of North Richmond Andrea Osgood	Griselda Ledesma Griselda Ledesma Higgs Family Trust Dated April 17, 2001 Mollie L. Higgs, Trustee Ron Ikebe Ron Ikebe George E. and Cubie L. Thompson George E. and Cubie L. Thompson Metro United Bank Henry Lee and Lily Young	JP Morgan Chase Contra Costa County - HOME, PLHA City of Richmond State of California HCD - NPLH
CA-24-036	Normandie Villas Apartments 2633 Normandie Avenue Los Angeles, CA 90007 Los Angeles County	Normandie Villas Community Partners, Seth Gellis	CPP - Normandie Villas GP, LLC Seth Gellis FFAH V Normandie Villas, LLC Mei Luu	Community Preservation Partners Belinda Lee	Normandie Villas LLC Albert Maddox	CitiBank
CA-24-037	Auburn Street 6201 Auburn Street Bakersfield, CA 93306 Kern County	Pacific Southwest Community Development Corporation Robert Laing	Pacific Southwest Community Development Corporation Robert Laing	Chelsea Investment Corporation Cheri Hoffman	Raj and Vasanthi Srinivas Raj and Vasanthi Srinivas	Banner Bank City of Bakersfield HCD - FWHG
CA-24-038	Terrasini 5255 Mount Etna Drive San Diego, CA 92117 San Diego County	Terrasini CIC, LP Heidi W. Mather	CIC Terrasini, LLC Heidi W. Mather Mt. Etna Senior Housing, LLC Melinda Forstey	Chelsea Investment Corporation Heidi Mather	County of San Diego Marko Medved	Citibank County of San Diego - IHTF, HOME
CA-24-039	Eastern Ridge Apartments 1556 I Street Brawley, CA 92227 Imperial County	Brawley Family Associates, LP Christina Alley	Central Valley Coalition for Affordable Housing Christina Alley	Central Valley Coalition for Affordable Housing Christina Alley	AMG & Associates, LLC Alexis Gevorgian	California Bank & Trust HCD - FWHG USDA - RD 514
CA-24-044	18722 Sherman Way 18722 Sherman Way Los Angeles, CA 91335 Los Angeles County	LA Family Housing Corporation Elda Mendez-Lemus	18722 Sherman Way GP LLC Elda Mendez-Lemus	LA Family Housing Corporation Elda Mendez-Lemus	1995 Underburger Family Trust David Underburger and Lidia Ortiz	CitiBank Los Angeles Housing Department HCD - IIG
CA-24-045	Alvarado Senior Village 528 East Alvarado Street Fallbrook, CA 92028 San Diego County	Alvarado Village LP Theodore Miyahara	Alvarado Village LLC Theodore Miyahara	San Diego Community Housing Theodore Miyahara	Alden and Laurence Jamison Alden and Laurence Jamison	JPMorgan Chase Bank County of San Diego - NPLH, HOME HCD - IIG
CA-24-048	Westgate Manor 2330 Sherman Avenue Corcoran, CA 93212 Kings County	Central Valley Coalition for Affordable Housing Christina Alley	Central Valley Coalition for Affordable Housing Christina Alley	Micon Real Estate, Inc. Michael L. Condry	Westgate Manor, LP Michael L. Condry	Citibank USDA 515
CA-24-052	Fox Point Farms 1150 Quail Gardens Drive Encinitas, CA 92024 San Diego County	Fox Point CIC, LP Cheri Hoffman	Pacific Southwest Community Development Corporation Robert W. Laing CIC Fox Point, LLC Cheri Hoffman	Chelsea Investment Corporation Cheri Hoffman	Shea Homes LP Paul Barnes	Banner Bank Shea Homes LP
CA-24-053	Jordan Downs Phase S5 Along future Lou Dillon Avenue Los Angeles, CA 90002 Los Angeles County	Jordan Downs Phase S5, LP John Mimms	Jordan S5-Michaels, LLC John Mimms La Cienega LOMOD, Inc. Tina Booth	The Michaels Development Company John Mimms	Housing Authority of the City of Los Angeles Douglas Guthrie	Citibank HACLA CNI, IIG

**Conflict Summary
May 15, 2024 CTCAC Committee Meeting**

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-24-054	300 Alamitos 900 4th Street and 300 Alamitos Long Beach, CA 90802 Los Angeles County	Mercy Housing California 112, LP Erika Villablanca	Mercy Housing 112 LLC Erika Villablanca CTY Housing, LLC Yasmin Tong	Mercy Housing 112, LP Erika Villablanca	California Land Acquisition Fund Holding I LLC Doug Shoemaker	JPMorgan Chase Bank HCD - NHTF The Long Beach Community Investment Company
CA-24-055	MCA#3 Apartments 3940 Gibraltar Avenue Los Angeles, CA 90008 Los Angeles County	MCA#3 Community Partners, LP Seth Gellis	CPP - MCA#3 GP, LLC Seth Gellis FFAH V 3940 Gibraltar Avenue, LLC Mei Luu	Community Preservation Partners, Belinda Lee	3940 Gibraltar Avenue, LLC Jonathan D Frank	CitiBank
CA-24-059	Oak Gardens Corner of Willow Road and Hospital Plaza Menlo Park, CA 94025 San Mateo County	MidPen Housing Corporation Matthew O. Franklin	MP Oak Gardens LLC Matthew O. Franklin	MidPen Housing Corporation Cynthia Luzod	The United States of America C. Brett Simms	Silicon Valley Bank Housing Trust Silicon Valley County of San Mateo City of Menlo Park AHP HCD - VHHP
CA-24-069	Hawthorn Senior Apartments 124 N. 15th Street San Jose, CA 95112 Santa Clara County	Hawthorn Senior Apartments LP Karl Lauff	Hawthorn Senior Apartments LLC Preston Prince	Santa Clara County Housing Authority Karl Lauff	Santa Clara County Housing Authority Preston Prince	Wells Fargo County of Santa Clara - NPLH SCCHA

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Elders' Place, located at Hostler Field Road in Hoopa, requested and is being recommended for a reservation of \$1,483,405 in annual federal tax credits to finance the new construction of 25 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Hoopa Valley Housing Authority and will be located in Senate District 2 and Assembly District 2.

The project will be receiving rental assistance in the form of a Housing Assistance Payment Agreement (HAP) from the Hoopa Valley Housing Authority (HVHA).

Project Number CA-24-001

Project Name Elders' Place
Site Address: Hostler Field Road
Hoopa, CA 95546
County: Humboldt
Census Tract: 9400.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,483,405	\$0
Recommended:	\$1,483,405	\$0

Applicant Information

Applicant: Elders' Place LP
Contact: Darcy Padilla
Address: 172 Hostler Field Road
Hoopa, CA 95546
Phone: 530-625-4759
Email: PadillaDC@hvha.us

General Partner(s) / Principal Owner(s): Hoopa Valley Housing Authority
General Partner Type: Nonprofit
Parent Company(ies): Hoopa Valley Housing Authority
Developer: Hoopa Valley Housing Authority
Investor/Consultant: RBC Community Investments
Management Agent(s): Hoopa Valley Housing Authority
Barker Management Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 15
Total # of Units: 25
No. & % of Tax Credit Units: 25 100%
Federal Set-Aside Elected: 40%/60%

Information

Set-Aside: Rural (Native American apportionment)
Housing Type: Seniors
Geographic Area: N/A
CTCAC Project Analyst: Dylan Hervey

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:	3	10%
At or Below 40% AMI:	4	15%
At or Below 50% AMI (Rural):	10	40%
At or Below 60% AMI:	8	30%

Unit Mix

20 1-Bedroom Units
5 2-Bedroom Units
<u>25 Total Units</u>

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 1 Bedroom	30%	\$401
3 1 Bedroom	40%	\$581
9 1 Bedroom	50%	\$631
6 1 Bedroom	60%	\$731
1 2 Bedrooms	30%	\$522
1 2 Bedrooms	40%	\$702
1 2 Bedrooms	50%	\$852
2 2 Bedrooms	60%	\$952

Project Cost Summary at Application

Land and Acquisition	\$0
Construction Costs	\$16,347,056
Rehabilitation Costs	\$0
Construction Contingency	\$814,863
Relocation	\$0
Architectural/Engineering	\$866,044
Const. Interest, Perm. Financing	\$90,000
Legal Fees	\$72,500
Reserves	\$28,952
Other Costs	\$214,572
Developer Fee	\$600,000
Commercial Costs	\$0
Total	\$19,033,987

Residential

Construction Cost Per Square Foot:	\$768
Per Unit Cost:	\$761,359
True Cash Per Unit Cost*:	\$761,359

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Hoopa Valley Housing Authority	\$7,166,747	Hoopa Valley Housing Authority	\$7,166,747
Tax Credit Equity	\$11,867,240	Tax Credit Equity	\$11,867,240
		TOTAL	\$19,033,987

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$12,678,672
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$16,482,274
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,483,405
Approved Developer Fee (in Project Cost & Eligible Basis):	\$600,000
Investor/Consultant:	RBC Community Investments
Federal Tax Credit Factor:	\$0.80000

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:	Seniors
Self-Score Final:	76.350%
CTCAC Final:	76.350%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$761,359. The applicant noted that the per unit cost is attributed to infrastructure and vertical construction costs.

The applicant has requested and been granted a waiver for equivalent access to management services under CTCAC Regulation Section 10325(f)(7)(J). Specifically, the existing Hoopa Valley Housing Authority (HVHA) employees will work from the HVHA office full time and HVHA will operate 24-hour security for all the units managed across the Hoopa Valley Reservation including Elders’ Place.

Per CTCAC Regulation Section 10325(f)(7)(J) the project has committed to employ an equivalent number of on-site full-time property management staff and provide an equivalent number of desk or security staff capable of responding to emergencies for the hours when property management staff is not working. All staff or contractors performing desk or security work shall be knowledgeable of how the property’s fire system operates and be trained in, and have participated in, fire evacuation drills for tenants. CTCAC reserves the right to require that one or more on-site managers’ units be provided and occupied by property management staff if, in its sole discretion, it determines as part of any on-site inspection that the project has not been adequately operated and/or maintained.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Other Services Specialist, 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
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	94	94	94

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may
DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Beech Hill Apartments, located at 8789 Greenback Lane in Orangevale, requested and is being recommended for a reservation of \$1,117,801 in annual federal tax credits to finance the new construction of 28 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Pacific Housing, Inc. and will be located in Senate District 1 and Assembly District 7.

Project Number CA-24-004

Project Name Beech Hill Apartments
Site Address: 8789 Greenback Lane
Orangevale, CA 95662
County: Sacramento
Census Tract: 82.03

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,117,801	\$0
Recommended:	\$1,117,801	\$0

Applicant Information

Applicant: Pacific Housing, Inc.
Contact: Mark Wiese
Address: 2115 J Street, Suite 201
Sacramento, CA 95816
Phone: 916-638-5200
Email: mwiese@pacifichousing.org

General Partner(s) / Principal Owner(s): Pacific Housing, Inc.
General Partner Type: Nonprofit
Parent Company(ies): Pacific Housing, Inc.
Developer: Pacific Housing, Inc.
Investor/Consultant: RBC Community Investments
Management Agent(s): Domus Management Company

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 29
No. & % of Tax Credit Units: 28 100%
Federal Set-Aside Elected: 40%/60%

Information

Set-Aside: N/A
Housing Type: Large Family
Geographic Area: Capital Region
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:	3	10%
At or Below 40% AMI:	5	15%
At or Below 50% AMI:	12	40%
At or Below 60% AMI:	8	25%

Unit Mix

12 1-Bedroom Units
8 2-Bedroom Units
9 3-Bedroom Units
<u>29 Total Units</u>

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 1 Bedroom	30%	\$603
2 1 Bedroom	40%	\$804
5 1 Bedroom	50%	\$1,005
4 1 Bedroom	60%	\$1,206
1 2 Bedrooms	30%	\$723
1 2 Bedrooms	40%	\$965
3 2 Bedrooms	50%	\$1,206
2 2 Bedrooms	60%	\$1,447
1 3 Bedrooms	30%	\$836
2 3 Bedrooms	40%	\$1,115
4 3 Bedrooms	50%	\$1,393
2 3 Bedrooms	60%	\$1,672
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$758,000
Construction Costs	\$8,020,140
Rehabilitation Costs	\$0
Construction Contingency	\$701,007
Relocation	\$0
Architectural/Engineering	\$700,000
Const. Interest, Perm. Financing	\$719,900
Legal Fees	\$110,000
Reserves	\$428,429
Other Costs	\$1,180,441
Developer Fee	\$1,687,677
Commercial Costs	\$0
Total	\$14,305,594

Residential

Construction Cost Per Square Foot:	\$224
Per Unit Cost:	\$493,296
True Cash Per Unit Cost*:	\$477,112

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Lument	\$8,763,179	Lument	\$1,758,167
SHRA ¹	\$2,465,000	SHRA ¹	\$2,465,000
Deferred Reserves	\$428,429	Deferred Developer Fee	\$469,338
Deferred Developer Fee	\$1,687,677	Tax Credit Equity	\$9,613,089
Tax Credit Equity	\$961,309	TOTAL	\$14,305,594

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

¹Sacramento Housing and Redevelopment Agency

Determination of Credit Amount(s)

Requested Eligible Basis:	\$9,553,854
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$12,420,010
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,117,801
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,687,677
Investor/Consultant:	RBC Community Investments
Federal Tax Credit Factor:	\$0.86000

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:	Large Family
Self-Score Final:	43.839%
CTCAC Final:	42.787%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, Sacramento Housing and Redevelopment Agency, 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 3/4 mile of public park or community center open to general public	2	2	2
Within 1/2 mile of public library	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/2 mile of a pharmacy	2	2	2
Highest or High Resource Area	8	8	8
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
After school program for school age children, minimum of 6 hours/week	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Center of Hope Apartments II, located at 2303 Alfreda Way in Redding, requested and is being recommended for a reservation of \$1,129,203 in annual federal tax credits to finance the new construction of 48 units of housing serving families with rents affordable to households earning 25%-60% of area median income (AMI). The project will be developed by ADK Properties LLC and will be located in Senate District 1 and Assembly District 1.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from HCD's No Place Like Home (NPLH) program.

Project Number CA-24-006

Project Name Center of Hope Apartments II
Site Address: 2303 Alfreda Way
Redding, CA 96002
County: Shasta
Census Tract: 103.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,129,203	\$0
Recommended:	\$1,129,203	\$0

Applicant Information

Applicant: Center of Hope Apartments II, LP
Contact: Daniel Knott
Address: 1011 Parkview Avenue, Suite A
Redding, CA 96001
Phone: 530-244-0595
Email: dknott@k2dci.com

General Partners / Principal Owners: Community Revitalization and Development Corporation
Center of Hope Apartments II, LLC

General Partner Type: Joint Venture
Parent Companies: Community Revitalization and Development Corporation
ADK Properties LLC
The McConnell Foundation

Developer: ADK Properties LLC
Investor/Consultant: Raymond James
Management Agent: FPI Management Inc.

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 3
 Total # of Units: 49
 No. & % of Tax Credit Units: 48 100%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: CDBG-DR / HUD Section 8 Project-based Vouchers
 (25 Units - 52%)

Information

Set-Aside: N/A
 Housing Type: Large Family
 Geographic Area: Northern Region
 CTCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 25% AMI:	10	21%
At or Below 30% AMI:	15	31%
At or Below 60% AMI:	23	48%

Unit Mix

12 1-Bedroom Units
 24 2-Bedroom Units
13 3-Bedroom Units
 49 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
7 1 Bedroom	25%	\$393
5 1 Bedroom	30%	\$472
3 2 Bedrooms	25%	\$472
5 2 Bedrooms	30%	\$567
15 2 Bedrooms	60%	\$1,134
5 3 Bedrooms	30%	\$655
8 3 Bedrooms	60%	\$1,311
1 2 Bedrooms	Manager Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$686,000
Construction Costs	\$13,168,400
Rehabilitation Costs	\$0
Construction Contingency	\$808,420
Relocation	\$0
Architectural/Engineering	\$579,000
Const. Interest, Perm. Financing	\$1,815,796
Legal Fees	\$265,000
Reserves	\$221,001
Other Costs	\$1,300,034
Developer Fee	\$2,301,978
Commercial Costs	\$0
Total	\$21,145,629

Residential

Construction Cost Per Square Foot:	\$275
Per Unit Cost:	\$431,543
True Cash Per Unit Cost*:	\$409,233

Construction Financing

<u>Source</u>	<u>Amount</u>
Citibank	\$15,063,109
City of Redding: CDBG-DR	\$2,000,000
Deferred Costs	\$221,001
Deferred Developer Fee	\$1,801,978
Tax Credit Equity	\$2,059,541

Permanent Financing

<u>Source</u>	<u>Amount</u>
Citibank	\$4,340,000
HCD: NPLH	\$2,860,143
Shasta County	\$1,000,000
City of Redding: CDBG-DR	\$2,000,000
Deferred Developer Fee	\$1,093,190
Tax Credit Equity	\$9,852,296
TOTAL	\$21,145,629

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$12,546,700
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$12,546,700
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,129,203
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,301,978
Investor/Consultant:	Raymond James
Federal Tax Credit Factor:	\$0.87250

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:	Large Family
Self-Score Final:	57.540%
CTCAC Final:	57.540%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Redding Housing Division, 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of transit station or public bus stop	3	3	3
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ¾ mile of a public elementary school	2	2	2
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

El Dorado Haven, located at 6500 Pleasant Valley Road in El Dorado, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$8,333,333 in total state tax credits to finance the new construction of 64 units of housing serving families with rents affordable to households earning 20%-70% of area median income (AMI). The project will be developed by Mercy Housing California and will be located in Senate District 1 and Assembly District 5.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the No Place Like Home (NPLH) and National Housing Trust Fund (NHTF) programs of HCD.

Project Number CA-24-008

Project Name El Dorado Haven
Site Address: 6500 Pleasant Valley Road
El Dorado, CA 95619
County: El Dorado
Census Tract: 315.04

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$8,333,333
Recommended:	\$2,500,000	\$8,333,333

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

Applicant Information

Applicant: Mercy Housing California
Contact: Richard C. Ciraulo
Address: 2512 River Plaza Drive, Suite 200
Sacramento, CA 95833
Phone: 916-414-4441
Email: rciraulo@mercyhousing.org

General Partner(s) / Principal Owner(s): Mercy Housing California 102 LLC
General Partner Type: For Profit
Parent Company(ies): Mercy Housing California
Developer: Mercy Housing California
Investor/Consultant: Senior Affordable Housing Financial Consultant
Management Agent(s): Mercy Housing Management Group

Project Information

Construction Type: New Construction
Total # Residential Buildings: 5
Total # of Units: 65
No. & % of Tax Credit Units: 64 100%
Federal Set-Aside Elected: 40%/60% Average Income
Federal Subsidy: HUD Section 8 Project-based Vouchers (15 Units - 23%)

Information

Set-Aside: Rural
Housing Type: Large Family
Geographic Area: N/A
CTCAC Project Analyst: Jacob Paixao

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 20% AMI:	8	10%
At or Below 30% AMI:	7	10%
At or Below 40% AMI:	7	10%
At or Below 50% AMI (Rural):	21	30%
At or Below 70% AMI:	21	30%

Unit Mix

20 1-Bedroom Units
27 2-Bedroom Units
18 3-Bedroom Units

65 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
8 1 Bedroom	20%	\$402
2 1 Bedroom	40%	\$804
3 1 Bedroom	50%	\$1,005
7 1 Bedroom	70%	\$1,407
2 2 Bedrooms	30%	\$723
1 2 Bedrooms	30%	\$723
2 2 Bedrooms	40%	\$965
4 2 Bedrooms	50%	\$1,206
10 2 Bedrooms	50%	\$1,206
7 2 Bedrooms	70%	\$1,500
4 3 Bedrooms	30%	\$836
3 3 Bedrooms	40%	\$1,115
1 3 Bedrooms	50%	\$1,393
3 3 Bedrooms	50%	\$1,393
7 3 Bedrooms	70%	\$1,930
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,480,000
Construction Costs	\$28,068,628
Rehabilitation Costs	\$0
Construction Contingency	\$2,792,177
Relocation	\$0
Architectural/Engineering	\$1,100,425
Const. Interest, Perm. Financing	\$4,648,500
Legal Fees	\$75,000
Reserves	\$305,862
Other Costs	\$2,932,279
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$43,902,870

Residential

Construction Cost Per Square Foot:	\$439
Per Unit Cost:	\$675,429
True Cash Per Unit Cost*:	\$639,098

Construction Financing

<u>Source</u>	<u>Amount</u>
Wells Fargo Bank	\$36,428,398
EDCFC ¹ : Land Donation	\$1,470,000
El Dorado County: Fee Waiver	\$891,475
Tax Credit Equity	\$2,927,136

Permanent Financing

<u>Source</u>	<u>Amount</u>
CCRC ²	\$4,054,800
HCD: NPLH	\$2,136,467
HCD: NHTF	\$6,218,672
EDCFC ¹ : Land Donation	\$1,470,000
El Dorado County: Fee Waiver	\$891,475
General Partner Equity	\$100
Tax Credit Equity	\$29,131,356
TOTAL	\$43,902,870

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

¹El Dorado County Federated Church

²California Community Reinvestment Corporation

Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,777,778
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,778
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$8,333,333
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Senior Affordable Housing Financial Consultant
Federal Tax Credit Factor:	\$0.89440
State Tax Credit Factor:	\$0.81256

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:	Large Family
Self-Score Final:	50.731%
CTCAC Final:	50.731%

Significant Information / Additional Conditions

Staff noted that the preliminary architectural drawings lacks detailed description of suitable play area for children ages 13-17. The applicant is cautioned that outdoor play/recreational space must be constructed with appropriate amenities and/or be provided with reasonable play equipment suitable for children ages 13-17 pursuant to CTCAC Regulations 10325(g)(1)(D).

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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.

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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.

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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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1 mile of public park or community center open to general public	3	3	3
Within 3 miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3
Within 1 1/2 miles of an adult education campus or community college	3	3	3
Within 1 1/2 miles of medical clinic or hospital	2	2	2
Within 2 miles of a pharmacy	1	1	1
Service Amenities	10	10	10
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
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

The Rigby, located at 15314 Rayen Street in Los Angeles, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$14,750,888 in total state tax credits to finance the new construction of 62 units of housing serving special needs tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Abbey Road Inc. and will be located in Senate District 20 and Assembly District 43.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Infill Infrastructure Grant (IIG) program of HCD.

Project Number CA-24-015

Project Name The Rigby
Site Address: 15314 Rayen Street
Los Angeles, CA 91343
County: Los Angeles
Census Tract: 1175.2

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$14,750,888
Recommended:	\$2,500,000	\$14,750,888

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

Applicant Information

Applicant: Abbey Road, Inc
Contact: Maura Johnson
Address: 15305 Rayen Street
North Hills, Ca 91343
Phone: 818-894-2284
Email: M.Johnson@pennylane.org

General Partner(s) / Principal Owner(s): The Rigby Abbey Road, LLC
General Partner Type: Nonprofit
Parent Company(ies): Abbey Road, Inc
Developer: Abbey Road Inc.
Investor/Consultant: California Housing Partnership
Management Agent(s): EAH Housing

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 64
No. & % of Tax Credit Units: 62 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (33 Units - 53%)

Information

Set-Aside: N/A
 Housing Type: Special Needs
 At least 20% 1-bedroom units and 10% larger than 1-bedroom units
 Type of Special Needs: Homeless
 Average Targeted Affordability of Special Needs Project Units: 30.00%
 % of Special Need Units: 33 units 53.23%
 Geographic Area: City of Los Angeles
 CTCAC Project Analyst: Nick White

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:	33	50%
At or Below 50% AMI:	12	15%
At or Below 60% AMI:	17	25%

Unit Mix

12 SRO/Studio Units
 20 1-Bedroom Units
 20 2-Bedroom Units
 12 3-Bedroom Units

 64 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 SRO/Studio	30%	\$662
5 1 Bedroom	30%	\$709
2 2 Bedrooms	30%	\$851
4 3 Bedrooms	30%	\$983
7 SRO/Studio	30%	\$662
8 1 Bedroom	30%	\$709
2 2 Bedrooms	30%	\$851
6 1 Bedroom	50%	\$1,182
5 2 Bedrooms	50%	\$1,418
1 3 Bedrooms	50%	\$1,639
11 2 Bedrooms	60%	\$1,702
6 3 Bedrooms	60%	\$1,967
1 1 Bedroom	Manager's Unit	\$0
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,374,300
Construction Costs	\$35,285,084
Rehabilitation Costs	\$0
Construction Contingency	\$2,409,523
Relocation	\$0
Architectural/Engineering	\$1,098,285
Const. Interest, Perm. Financing	\$8,142,508
Legal Fees	\$315,000
Reserves	\$658,000
Other Costs	\$2,675,188
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$57,457,888

Residential

Construction Cost Per Square Foot:	\$563
Per Unit Cost:	\$897,780
True Cash Per Unit Cost*:	\$893,092

Construction Financing

<u>Source</u>	<u>Amount</u>
JP Morgan Chase	\$38,288,107
HCD: IIG	\$3,790,880
LAHD ¹ : HHH	\$6,795,000
LACDA: AHTF ²	\$2,955,000
Deferred Costs	\$1,862,800
Deferred Developer Fee	\$300,000

Permanent Financing

<u>Source</u>	<u>Amount</u>
CCRC	\$7,327,000
HCD: IIG	\$3,790,880
LAHD ¹ : HHH	\$6,795,000
LACDA: AHTF ²	\$3,000,000
Deferred Developer Fee	\$300,000
Tax Credit Equity	\$36,245,008
TOTAL	\$57,457,888

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

¹LAHD - Los Angeles Housing Development

²Los Angeles County Development Authority: Affordable Housing Trust Fund

Determination of Credit Amount(s)

Requested Eligible Basis:	\$49,169,625
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$63,920,513
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$14,750,888
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.91287
State Tax Credit Factor:	\$0.91000

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:	Special Needs
Self-Score Final:	45.042%
CTCAC Final:	44.985%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$893,092, The applicant noted that the per unit cost is attributed to prevailing wages, relocation costs, operating reserves, development impact fees, supply chain delays, high cost of multiply key materials, insurance, construction loan interest, land and holding cost and construction cost.

The applicant’s estimate of the 3-month operating reserve shown in the application development budget is below CTCAC’s minimum. Pursuant to CTCAC Regulation Section 10327(a), initial application errors of the greater of 50% of the contingency line item or \$100,000 shall be deemed covered by the contingency line item. However, at the submission of the next updated application required by CTCAC, and all subsequent submissions to CTCAC, including the placed-in-service submission for the issuance of the IRS 8609 forms, the applicant must fund the 3-month operating reserve at a level that meets the requirement of regulation section 10327(c)(7)(B).

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, County of Ventura, 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of medical clinic or hospital	2	2	2
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
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
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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 REAPPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Arroyo Terrace, located at 700 North Oak Park Boulevard in Arroyo Grande, requested and is being recommended for a reservation of \$2,202,325 in annual federal tax credits to finance the new construction of 62 units of housing serving families with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by San Luis Obispo Nonprofit Housing Corporation and will be located in Senate District 17 and Assembly District 35.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Multifamily Housing Program (MHP) program of HCD.

Project Number CA-24-017

Project Name Arroyo Terrace
Site Address: 700 North Oak Park Boulevard
Arroyo Grande, CA 93420
County: San Luis Obispo
Census Tract: 119.03

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,202,325	\$0
Recommended:	\$2,202,325	\$0

Applicant Information

Applicant: Arroyo Terrace LP
Contact: Ken Litzinger
Address: 487 Leff Street
San Luis Obispo , CA 93401
Phone: 805 594-5304
Email: klitzinger@haslo.org

General Partner(s) / Principal Owner(s): San Luis Obispo Nonprofit Housing Corporation
General Partner Type: Nonprofit
Parent Company(ies): San Luis Obispo Nonprofit Housing Corporation
Developer: San Luis Obispo Nonprofit Housing Corporation
Investor/Consultant: California Housing Partnership
Management Agent(s): Housing Authority of San Luis Obispo

Project Information

Construction Type: New Construction
Total # Residential Buildings: 3
Total # of Units: 63
No. & % of Tax Credit Units: 62 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (50 Units - 80%)

Information

Set-Aside: Rural
Housing Type: Large Family
Geographic Area: N/A
CTCAC Project Analyst: Nick White

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:	19	30%
At or Below 40% AMI:	24	35%
At or Below 50% AMI:	19	30%

Unit Mix

30 1-Bedroom Units
16 2-Bedroom Units
<u>17 3-Bedroom Units</u>
63 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
9 1 Bedroom	30%	\$651
3 2 Bedrooms	30%	\$782
7 3 Bedrooms	30%	\$903
14 1 Bedroom	40%	\$869
5 2 Bedrooms	40%	\$1,043
5 3 Bedrooms	40%	\$1,204
7 1 Bedroom	50%	\$1,086
4 2 Bedrooms	50%	\$1,303
4 2 Bedrooms	50%	\$1,303
3 3 Bedrooms	50%	\$1,505
1 3 Bedrooms	50%	\$1,505
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,318,000
Construction Costs	\$23,161,146
Rehabilitation Costs	\$0
Construction Contingency	\$1,176,475
Relocation	\$0
Architectural/Engineering	\$830,360
Const. Interest, Perm. Financing	\$4,105,358
Legal Fees	\$137,500
Reserves	\$427,556
Other Costs	\$942,321
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$36,598,716

Residential

Construction Cost Per Square Foot:	\$404
Per Unit Cost:	\$580,932
True Cash Per Unit Cost*:	\$580,932

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Banc of California	\$29,601,136	Banc of California	\$10,131,000
HASLO ¹	\$2,514,390	HASLO ¹	\$2,514,390
Deferred Costs	\$2,601,656	HCD: MHP	\$3,838,366
Tax Credit Equity	\$1,881,534	Tax Credit Equity	\$20,114,960
		TOTAL	\$36,598,716

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

¹Housing Authority of San Luis Obispo

Determination of Credit Amount(s)

Requested Eligible Basis:	\$18,823,288
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$24,470,274
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,202,325
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.91335

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:	Large Family
Self-Score Final:	85.648%
CTCAC Final:	85.648%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Arroyo Grande, 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 3/4 mile of public park or community center open to general public	2	2	2
Within 1 mile of public library	2	2	2
Within 1/4 mile of a neighborhood market of at least 5,000 sf	4	4	4
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Highest or High Resource Area	8	8	8
Service Amenities	10	10	10
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
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Monterey Senior (AKA Monterey Crossing Senior), located at 1480 Monterey Street in San Luis Obispo, requested and is being recommended for a reservation of \$2,488,338 in annual federal tax credits to finance the new construction of 54 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by San Luis Obispo Non-Profit and will be located in Senate District 17 and Assembly District 30.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Multifamily Housing Program (MHP) program of HCD.

Project Number CA-24-018

Project Name Monterey Senior (AKA Monterey Crossing Senior)
Site Address: 1480 Monterey Street
San Luis Obispo, CA 93401
County: San Luis Obispo
Census Tract: 110.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,488,338	\$0
Recommended:	\$2,488,338	\$0

Applicant Information

Applicant: UPMO Senior SLO, L.P.
Contact: Ken Litzinger
Address: 487 Leff Street
San Luis Obispo, CA 93401
Phone: (805) 594-5304
Email: klitzinger@haslo.org

General Partner(s) / Principal Owner(s): San Luis Obispo Non-profit Housing Corporation
The Fort Group, LLC
General Partner Type: Joint Venture
Parent Company(ies): San Luis Obispo Non-profit Housing Corporation
The Fort Group, LLC
Developer: San Luis Obispo Non-profit Housing Corporation
Investor/Consultant: California Housing Partnership
Management Agent(s): Housing Authority San Luis Obispo

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 55
No. & % of Tax Credit Units: 54 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (30 Units - 54.54%)

Information

Set-Aside: N/A
Housing Type: Seniors
Geographic Area: Central Coast Region
CTCAC Project Analyst: Dylan Hervey

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:	22	40%
At or Below 40% AMI:	14	25%
At or Below 50% AMI:	14	25%
At or Below 60% AMI:	4	5%

Unit Mix

30 SRO/Studio Units
25 1-Bedroom Units
55 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
11 SRO/Studio	30%	\$608
11 1 Bedroom	30%	\$651
2 SRO/Studio	40%	\$811
6 SRO/Studio	40%	\$811
6 1 Bedroom	40%	\$869
9 SRO/Studio	50%	\$1,013
5 1 Bedroom	50%	\$1,086
2 SRO/Studio	60%	\$1,216
2 1 Bedroom	60%	\$1,303
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,426,000
Construction Costs	\$22,400,096
Rehabilitation Costs	\$0
Construction Contingency	\$1,435,428
Relocation	\$0
Architectural/Engineering	\$890,000
Const. Interest, Perm. Financing	\$3,898,486
Legal Fees	\$125,000
Reserves	\$298,640
Other Costs	\$1,601,894
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$37,575,544

Residential

Construction Cost Per Square Foot:	\$559
Per Unit Cost:	\$683,192
True Cash Per Unit Cost*:	\$674,101

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Banc of California	\$30,867,578	Banc of California	\$6,034,000
City Of San Luis Obispo	\$721,022	HCD MHP ¹	\$5,574,338
HASLO Public Funds	\$2,024,261	City Of San Luis Obispo	\$721,022
Deferred Costs	\$1,342,141	HASLO Public Funds	\$2,024,261
Deferred Developer Fee	\$500,000	Deferred Developer Fee	\$500,000
Tax Credit Equity	\$2,120,542	Tax Credit Equity	\$22,721,923
		TOTAL	\$37,575,544

¹California Department of Housing and Community Development (HCD) - Multifamily Housing Program (MHP)

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,267,849
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,648,203
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,488,338
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.91314

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:	Seniors
Self-Score Final:	54.152%
CTCAC Final:	53.233%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$674,101, The applicant noted that the per unit cost is attributed to prevailing wage rates and Construction Type IIIA which requires more expensive fire mitigation measures incorporated due to the 5 story nature of the building per California building code requirements. □

Resyndication and Resyndication Transfer Event. None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1/2 mile of school grounds/facilities open to public with JUA	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1/2 mile of a neighborhood market of at least 5,000 sf	3	3	3
Senior project within 1/2 mile of daily operated senior center/facility	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Other Services Specialist, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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-

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Smith Avenue Apartments, located at 532 Oleander Avenue in Lemoore, requested and is being recommended for a reservation of \$2,282,367 in annual federal tax credits to finance the new construction of 107 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 16 and Assembly District 33.

The project financing includes state funding from the Affordable Housing and Sustainable Communities (AHSC) program of HCD.

Project Number CA-24-022

Project Name Smith Avenue Apartments
Site Address: 532 Oleander Avenue
Lemoore, CA 93245
County: Kings
Census Tract: 4.05

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,282,367	\$0
Recommended:	\$2,282,367	\$0

Applicant Information

Applicant: Lemoore Family Associates, a California Limited Partnership
Contact: Caleb Roope
Address: 430 East State Street, Suite 100
Eagle, ID 83616
Phone: 208.461.0022
Email: calebr@tpchousing.com

General Partner(s) / Principal Owner(s): Central Valley Coalition for Affordable Housing
TPC Holdings IX, LLC
General Partner Type: Joint Venture
Parent Company(ies): Central Valley Coalition for Affordable Housing
The Pacific Companies
Developer: Pacific West Communities, Inc.
Investor/Consultant: Boston Financial
Management Agent(s): Buckingham Property Management

Project Information

Construction Type: New Construction
Total # Residential Buildings: 5
Total # of Units: 108
No. & % of Tax Credit Units: 107 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: None.

Information

Set-Aside: Rural
 Housing Type: Large Family
 Geographic Area: N/A
 CTCAC Project Analyst: Cynthia Compton

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:	22	20%
At or Below 50% AMI (Rural):	43	40%
At or Below 60% AMI:	42	35%

Unit Mix

12 1-Bedroom Units
60 2-Bedroom Units
36 3-Bedroom Units
<u>108 Total Units</u>

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 1 Bedroom	30%	\$464
3 1 Bedroom	50%	\$773
7 1 Bedroom	60%	\$928
12 2 Bedrooms	30%	\$557
24 2 Bedrooms	50%	\$928
24 2 Bedrooms	60%	\$1,114
8 3 Bedrooms	30%	\$643
16 3 Bedrooms	50%	\$1,072
11 3 Bedrooms	60%	\$1,287
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,085,000
Construction Costs	\$28,871,742
Rehabilitation Costs	\$0
Construction Contingency	\$1,750,000
Relocation	\$0
Architectural/Engineering	\$935,000
Const. Interest, Perm. Financing	\$2,524,000
Legal Fees	\$70,000
Reserves	\$420,391
Other Costs	\$2,457,405
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$40,613,538

Residential

Construction Cost Per Square Foot:	\$300
Per Unit Cost:	\$376,051
True Cash Per Unit Cost*:	\$376,051

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
California Bank & Trust	\$35,838,593	California Bank & Trust	\$5,900,000
Deferred Costs	\$420,391	HCD: AHSC	\$16,000,000
Deferred Developer Fee	\$2,500,000	Tax Credit Equity	\$18,713,538
Tax Credit Equity	\$1,854,554	TOTAL	\$40,613,538

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$25,359,629
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$25,359,629
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,282,367
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.81992

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:	Large Family
Self-Score Final:	74.600%
CTCAC Final:	74.600%

Significant Information / Additional Conditions:

A waiver has been requested to allow the proposed project to exceed 80 Low-Income units in the Rural set-aside as per CTCAC Regulation Section 10325(f)(9)(A). The applicant has been granted a waiver to allow 108 units.

The applicant's estimate for annual operating expenses per unit is below the \$4,900 published per unit operating expense minimum required for this type of project. Under regulation section 10327(g) operating expenses below the published minimum may be corrected. At the submission of the next updated CTCAC application required by CTCAC, and all subsequent submissions to CTCAC, the applicant must meet the requirement of regulation section 10327(g)(1).

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Glendale, 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/8 mile of transit, service every 30 minutes in rush hours	6	6	6
Within 1 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 1/2 miles of an adult education campus or community college	3	3	3
Within 1 mile of a pharmacy	2	2	2
Highest or High Resource Area	8	8	8
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

HHH New Hampshire, located at 701 S. New Hampshire Ave in Los Angeles, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$8,915,983 in total state tax credits to finance the new construction & adaptive reuse of 93 units of housing serving special needs tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by BRIDGE Housing Corporation and will be located in Senate District 26 and Assembly District 54.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Affordable Housing and Sustainable Communities (AHSC) program of HCD.

Project Number CA-24-026

Project Name HHH New Hampshire
Site Address: 701 S. New Hampshire Ave
Los Angeles, CA 90005
County: Los Angeles
Census Tract: 2123.03

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$8,915,983
Recommended:	\$2,500,000	\$8,915,983

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

Applicant Information

Applicant: BRIDGE New Hampshire LLC
Contact: Sierra Atilano
Address: 600 California Street, Suite 900
San Francisco, CA 94108
Phone: (916) 263-2911
Email: satilano@bridgehousing.com

General Partner(s) / Principal Owner(s): BRIDGE New Hampshire LLC
General Partner Type: Nonprofit
Parent Company(ies): BRIDGE Housing Corporation
Developer: BRIDGE Housing Corporation
Investor/Consultant: California Housing Partnership
Management Agent(s): BRIDGE Property Management Company

Project Information

Construction Type: New Construction & Adaptive Reuse
Total # Residential Buildings: 2
Total # of Units: 95
No. & % of Tax Credit Units: 93 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (93 Units - 100%)

Information

Set-Aside: N/A
 Housing Type: Special Needs
 Type of Special Needs: Homeless / Transition Age Youth
 Average Targeted Affordability of Special Needs Project Units: 30.00%
 % of Special Need Units: 93 units 100.00%
 Geographic Area: City of Los Angeles
 CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AML:	93	80%

Unit Mix

93 SRO/Studio Units
 1 2-Bedroom Units
 1 3-Bedroom Units

 95 Total Units

Unit Type & Number	2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
93 SRO/Studio	30%	\$662
1 2 Bedrooms	Manager's Unit	\$0
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$7,505,340
Construction Costs	\$41,590,656
Rehabilitation Costs	\$0
Construction Contingency	\$4,224,557
Relocation	\$0
Architectural/Engineering	\$2,134,242
Const. Interest, Perm. Financing	\$9,324,662
Legal Fees	\$105,000
Reserves	\$1,172,995
Other Costs	\$2,266,262
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$70,823,714

Residential

Construction Cost Per Square Foot:	\$1,132
Per Unit Cost:	\$745,513
True Cash Per Unit Cost*:	\$745,513

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Key Bank	\$52,439,009	Key Bank	\$9,058,000
LAHD: HHH ²	\$12,980,000	HCD: AHSC ¹	\$18,855,428
Deferred Costs	\$2,593,926	LAHD: HHH ²	\$12,980,000
Tax Credit Equity	\$2,810,779	Tax Credit Equity	\$29,930,286
		TOTAL	\$70,823,714

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

¹HCD: Affordable Housing and Sustainable Communities

²Los Angeles Housing Department: Proposition HHH Permanent Supportive Housing Loan Program

Determination of Credit Amount(s)

Requested Eligible Basis:	\$29,719,946
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$38,635,930
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$8,915,983
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.91190
State Tax Credit Factor:	\$0.80000

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

Initial:	Letter of Support
First:	Special Needs
Self-Score Final:	111.255%
CTCAC Final:	99.329%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$745,513. The applicant noted that the per unit cost is attributed to federal and state prevailing wage requirements, construction costs, and high interest rates, as well as Type III construction and subterranean parking.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, the City of Los Angeles, 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 3/4 mile of public park or community center open to general public	2	2	2
Within 1 mile of public library	2	2	0
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of an adult education campus or community college	3	3	0
Special Needs project within 1/2 mile of facility serving tenant population	3	3	0
Within 1 mile of medical clinic or hospital	2	2	2
Within 1/2 mile of a pharmacy	2	2	2
In-unit high speed internet service	2	2	2
Service Amenities	10	10	5
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	0
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	104

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Piedmont Glendale, located at 426 Piedmont Avenue and 507 Naranja Drive in Glendale, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the adaptive reuse of 67 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by EAH Inc. and will be located in Senate District 25 and Assembly District 52.

Project Number CA-24-028

Project Name Piedmont Glendale
Site Address: 426 Piedmont Avenue and 507 Naranja Drive
Glendale, CA 91206
County: Los Angeles
Census Tract: 3019.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

Applicant Information

Applicant: Piedmont Glendale, L.P.
Contact: Welton Jordan
Address: 22 Pelican Way
San Rafael, CA 94901
Phone: (415) 295-8876
Email: welton.jordan@eahhousing.org

General Partner(s) / Principal Owner(s): Piedmont Glendale EAH, LLC
EAH Community Housing Inc.
General Partner Type: Nonprofit
Parent Company(ies): EAH Inc.
EAH Community Housing Inc.
Developer: EAH Inc.
Investor/Consultant: California Housing Partnership Corporation
Management Agent(s): EAH Inc.

Project Information

Construction Type: Adaptive Reuse
Total # Residential Buildings: 2
Total # of Units: 68
No. & % of Tax Credit Units: 67 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: None.

Information

Set-Aside: N/A
 Housing Type: Seniors
 Geographic Area: Balance of Los Angeles County
 CTCAC Project Analyst: Ruben Barcelo

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:	21	30%
At or Below 50% AMI:	33	40%
At or Below 60% AMI:	13	15%

Unit Mix

20 SRO/Studio Units
47 1-Bedroom Units
1 2-Bedroom Unit
<u>68 Total Units</u>

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
16 SRO/Studio	30%	\$515
4 SRO/Studio	50%	\$1,031
5 1 Bedroom	30%	\$589
29 1 Bedroom	50%	\$1,178
13 1 Bedroom	60%	\$1,419
1 2 Bedrooms	Manager Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$11,964,183
Construction Costs	\$14,617,783
Rehabilitation Costs	\$0
Construction Contingency	\$1,441,893
Relocation	\$0
Architectural/Engineering	\$1,133,480
Const. Interest, Perm. Financing	\$3,133,046
Legal Fees	\$130,000
Reserves	\$174,738
Other Costs	\$1,336,903
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$36,432,026

Residential

Construction Cost Per Square Foot:	\$308
Per Unit Cost:	\$535,765
True Cash Per Unit Cost*:	\$360,765

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
U.S. Bank	\$17,926,018	Glendale: Seller Carryback	\$11,900,000
Glendale: Seller Carryback	\$11,900,000	Glendale Housing Authority	\$2,181,500
Glendale Housing Authority	\$2,181,500	General Partner Equity	\$100
Deferred Costs	\$2,207,618	Tax Credit Equity	\$22,350,426
General Partner Equity	\$100	TOTAL	\$36,432,026
Tax Credit Equity	\$2,216,790		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$23,292,813
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$30,280,657
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.89402

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:	Seniors
Self-Score Final:	60.163%
CTCAC Final:	60.163%

Significant Information / Additional Conditions

This project is an adaptive reuse of an existing senior assisted-living facility that is comprised of two currently vacant adjacent buildings with a total of 112 bedrooms. The project will convert this facility into 68 units of senior affordable housing comprised of 21 studios, 46 one-bedroom units, and 1 two-bedroom manager unit.

This project has received a waiver from the Executive Director allowing the project to include 20 one-bedroom units that are smaller than 450 square feet, but no smaller than 400 square feet, in accordance with CTCAC regulations section 10325(g)(2)(E).

The applicant’s estimate of contractor profit, overhead and general requirement costs exceeds the CTCAC limit of 14%. The applicant is cautioned that at final review, prior to the issuance of the IRS 8609 forms, any costs or eligible basis that exceeds the limits will not be allowed.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Glendale, 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1 mile of public library	2	2	2
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of medical clinic or hospital	2	2	2
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
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. 84 hrs/yr instruction	7	7	7
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2024 First Round
May 15, 2024

Alma, located at 3518 and 3524 East 1st Street in Los Angeles, requested \$2,376,111 in annual federal tax credits but is being recommended for \$2,374,326 in annual federal tax credits to finance the new construction of 46 units of housing serving special needs tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Wakeland Housing and Development Corporation and will be located in Senate District 26 and Assembly District 52.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Infill Infrastructure Grant (IIG) program of HCD.

Project Number CA-24-031

Project Name Alma
Site Address: 3518 and 3524 East 1st Street
Los Angeles, CA 90063
County: Los Angeles
Census Tract: 5311.01

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,376,111	\$0
Recommended:	\$2,374,326	\$0

Applicant Information

Applicant: Wakeland Alma LP
Contact: Taylor Holland
Address: 1230 Columbia Street, Suite #950
San Diego, CA 92101
Phone: 619-994-7843
Email: tholland@wakelandhdc.com

General Partner(s) / Principal Owner(s): Wakeland Alma LLC
General Partner Type: Nonprofit
Parent Company(ies): Wakeland Housing and Development Corporation
Developer: Wakeland Housing and Development Corporation
Investor/Consultant: California Housing Partnership
Management Agent(s): ConAm Management Company

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: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (46 Units - 100%)

Information

Set-Aside: Nonprofit (Homeless assistance)
 Housing Type: Special Needs
 Type of Special Needs: Homeless
 Average Targeted Affordability of Special Needs Project Units: 30.00%
 % of Special Need Units: 46 units 100.00%
 Geographic Area: N/A
 CTCAC Project Analyst: Chris Saenz

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

34 SRO/Studio Units
12 1-Bedroom Units
<u>47 Total Units</u>

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
34 SRO/Studio	30%	\$662
12 1 Bedroom	30%	\$709
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,951,063
Construction Costs	\$19,044,615
Rehabilitation Costs	\$0
Construction Contingency	\$2,150,632
Relocation	\$75,000
Architectural/Engineering	\$1,497,400
Const. Interest, Perm. Financing	\$4,272,140
Legal Fees	\$139,871
Reserves	\$449,208
Other Costs	\$2,005,743
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$35,085,672

Residential

Construction Cost Per Square Foot:	\$587
Per Unit Cost:	\$746,504
True Cash Per Unit Cost*:	\$746,504

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo	\$21,999,867	CCRC ¹	\$3,592,000
HCD: IIG	\$3,161,038	HCD: IIG	\$3,512,264
LACDA: AHTF ²	\$6,461,600	LACDA: AHTF ²	\$6,560,000
Deferred Costs	\$1,502,108	Tax Credit Equity	\$21,421,408
Tax Credit Equity	\$1,977,261	TOTAL	\$35,085,672

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

¹California Community Reinvestment Corporation

²Los Angeles County Development Authority: Affordable Housing Trust Fund

Determination of Credit Amount(s)

Requested Eligible Basis:	\$20,308,641
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$26,401,233
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,374,326
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.90221

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:	Special Needs
Self-Score Final:	67.805%
CTCAC Final:	67.805%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$746,506. The applicant noted that the per unit cost is attributed to infill of the site, type III construction, and prevailing wages.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, Los Angeles County Development Authority, 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Negative Points		0	0
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 3/4 mile of public park or community center open to general public	2	2	2
Within 1 mile of public library	2	2	2
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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 REAPPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Willowbrook 3, located at 12611, 12617, and 12625 South Willowbrook Avenue in Compton, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$5,698,908 in total state tax credits to finance the new construction of 50 units of housing serving special needs tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Linc Housing Corporation and will be located in Senate District 35 and Assembly District 65.

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

Project Number CA-24-032

Project Name Willowbrook 3
Site Address: 12611, 12617, and 12625 South Willowbrook Avenue
Compton, CA 90222
County: Los Angeles
Census Tract: 5414.01

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$5,698,908
Recommended:	\$2,500,000	\$5,698,908

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

Applicant Information

Applicant: Linc Housing Corporation
Contact: Cecilia Ngo
Address: 3590 Elm Avenue
Long Beach, CA 90807
Phone: 562-684-1100
Email: cngo@linchousing.org

General Partner(s) / Principal Owner(s): Linc WB-3 Apts, LLC
General Partner Type: Nonprofit
Parent Company(ies): Linc Housing Corporation
Developer: Linc Housing Corporation
Investor/Consultant: Raymond James Housing Investments, Inc.
Management Agent(s): Aperto Property Management

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 51
No. & % of Tax Credit Units: 50 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (50 Units - 100%)

Information

Set-Aside: Nonprofit (Homeless assistance)
 Housing Type: Special Needs
 Type of Special Needs: Homeless
 Average Targeted Affordability of Special Needs Project Units: 30.00%
 % of Special Need Units: 50 units 100.00%
 Geographic Area: N/A
 CTCAC Project Analyst: Nick White

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:	50	80%

Unit Mix

50 1-Bedroom Units
1 2-Bedroom Units
<u>51 Total Units</u>

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
50 1 Bedroom	30%	\$709
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,939,104
Construction Costs	\$24,260,232
Rehabilitation Costs	\$0
Construction Contingency	\$1,547,694
Relocation	\$0
Architectural/Engineering	\$1,314,544
Const. Interest, Perm. Financing	\$4,853,492
Legal Fees	\$100,000
Reserves	\$256,961
Other Costs	\$1,972,955
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$40,744,982

Residential

Construction Cost Per Square Foot:	\$494
Per Unit Cost:	\$798,921
True Cash Per Unit Cost*:	\$769,723

Construction Financing

Permanent Financing

<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Bank of America	\$28,172,527	Bank of America	\$5,389,000
LACDA ¹ General Fund	\$6,895,000	LACDA ¹ General Fund	\$7,000,000
LA County: Land Donation	\$1,200,000	LA County: Land Donation	\$1,200,000
Fee Waiver	\$289,106	Fee Waiver	\$289,106
Deferred Costs	\$1,672,661	Tax Credit Equity	\$26,866,876
Tax Credit Equity	\$2,515,688	TOTAL	\$40,744,982

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

¹Los Angeles County Development Authority

Determination of Credit Amount(s)

Requested Eligible Basis:	\$34,184,251
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$44,439,526
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$5,698,908
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Raymond James Housing Investments, Inc.
Federal Tax Credit Factor:	\$0.89231
State Tax Credit Factor:	\$0.80000

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:	Special Needs
Self-Score Final:	63.821%
CTCAC Final:	63.821%

Significant Information / Additional Conditions

Development costs are roughly \$769,723 per unit. Applicant noted the factors affecting this cost includes the demolition of two existing buildings, security for the existing vacant buildings, and prevailing wages.

The applicant's estimate of the 3-month operating reserve shown in the application development budget is below CTCAC's minimum. Pursuant to CTCAC Regulation Section 10327(a), initial application errors of the greater of 50% of the contingency line item or \$100,000 shall be deemed covered by the contingency line item. However, at the submission of the next updated application required by CTCAC, and all subsequent submissions to CTCAC, including the placed-in-service submission for the issuance of the IRS 8609 forms, the applicant must fund the 3-month operating reserve at a level that meets the requirement of regulation section 10327(c)(7)(B).

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, Los Angeles County Development Authority, 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Legacy Court, located at 1243-1267, 1300-1324, 1329 Fred Jackson Way in Richmond, requested and is being recommended for a reservation of \$2,380,964 in annual federal tax credits to finance the new construction of 42 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Eden Housing Inc. & Community Housing Development Corporation of North Richmond and will be located in Senate District 9 and Assembly District 14.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the No Place Like Home (NPLH) and Permanent Local Housing Allocation (PLHA) programs of HCD.

Project Number CA-24-033

Project Name Legacy Court
Site Address: 1243-1267, 1300-1324, 1329 Fred Jackson Way
Richmond, CA 94801
County: Contra Costa
Census Tract: 3650.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,380,964	\$0
Recommended:	\$2,380,964	\$0

Applicant Information

Applicant: Legacy Court, LP
Contact: Andrea Osgood
Address: 22645 Grand Street
Hayward, CA 94541
Phone: 510-247-8103
Email: aosgood@edenhousing.org

General Partner(s) / Principal Owner(s): Legacy Court LLC
General Partner Type: Nonprofit
Parent Company(ies): Eden Housing, Inc.
CHDC of North Richmond
Developer: Eden Housing, Inc.
CHDC of North Richmond
Investor/Consultant: Community Economics, Inc.
Management Agent(s): Eden Housing Management, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 7
Total # of Units: 43
No. & % of Tax Credit Units: 42 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME / HUD Section 8 Project-based Vouchers (25 Units - 60%)

Information

Set-Aside: N/A
Housing Type: Large Family
Geographic Area: East Bay Region
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:	17	40%
At or Below 50% AMI:	9	20%
At or Below 60% AMI:	16	35%

Unit Mix

21 1-Bedroom Units
10 2-Bedroom Units
12 3-Bedroom Units

43 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
13 1 Bedroom	30%	\$832
8 1 Bedroom	50%	\$1,387
1 2 Bedrooms	30%	\$999
8 2 Bedrooms	60%	\$1,998
3 3 Bedrooms	30%	\$1,153
1 3 Bedrooms	50%	\$1,923
8 3 Bedrooms	60%	\$2,307
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,900,198
Construction Costs	\$25,574,518
Rehabilitation Costs	\$0
Construction Contingency	\$1,884,805
Relocation	\$0
Architectural/Engineering	\$1,385,742
Const. Interest, Perm. Financing	\$4,232,424
Legal Fees	\$185,000
Reserves	\$416,682
Other Costs	\$2,376,954
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$41,456,323

Residential

Construction Cost Per Square Foot:	\$563
Per Unit Cost:	\$964,101
True Cash Per Unit Cost*:	\$964,101

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Chase	\$25,646,062	Chase	\$4,576,000
DTSC ¹ Grant	\$464,940	HCD - NPLH	\$3,068,786
Sponsor Loan: SB104 Funds	\$3,000,000	DTSC ¹ Grant	\$464,940
County: HOME-ARP	\$4,382,047	Sponsor Loan: SB104 Funds	\$3,000,000
County: Measure X	\$1,421,000	County: HOME-ARP	\$4,382,047
County: PLHA	\$1,000,000	County: Measure X	\$1,421,000
City of Richmond	\$1,099,593	County: PLHA	\$1,000,000
City of Richmond Grant	\$269,792	City of Richmond	\$1,099,593
General Partner Equity	\$100	City of Richmond Grant	\$269,792
Tax Credit Equity	\$2,238,107	General Partner Equity	\$100
		Tax Credit Equity	\$22,174,065
		TOTAL	\$41,456,323

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

¹Department of Toxic Substance Control

Determination of Credit Amount(s)

Requested Eligible Basis:	\$20,350,123
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$26,455,160
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,380,964
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	\$0.93131

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:	Large Family
Self-Score Final:	70.197%
CTCAC Final:	69.825%

Significant Information / Additional Conditions:

Staff noted a per-unit cost of \$964,101. The applicant noted that this project's cost is due to payment of prevailing wages, multi-site construction requirements, high interest rates on construction, and a long predevelopment timeline. Summarily, the project is divided across 3 sites at the corner of Fred Jackson Way and Sanford Avenue in North Richmond. This requires 3 separate connections to overhead utilities, as well as more curb and gutter work compared to a project on a single site. A holding period of 22 years results in higher costs for predevelopment interest, taxes, and site maintenance.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Richmond, 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 1/2 miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3
Service Amenities	10	10	10
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
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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 REAPPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Normandie Villas Apartments, located at 2633 Normandie Avenue in Los Angeles, requested and is being recommended for a reservation of \$1,045,752 in annual federal tax credits and \$3,449,726 in total state tax credits to finance the acquisition and rehabilitation of 24 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Community Preservation Partners and is located in Senate District 28 and Assembly District 55.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-24-036

Project Name Normandie Villas Apartments
Site Address: 2633 Normandie Avenue
Los Angeles, CA 90007
County: Los Angeles
Census Tract: 2222

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,045,752	\$3,449,726
Recommended:	\$1,045,752	\$3,449,726

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant: Normandie Villas Community Partners, LP
Contact: Seth Gellis
Address: 17782 Sky Park Circle
Irvine, CA 92614
Phone: 949-278-3658
Email: sgellis@cpp-housing.com

General Partner(s) / Principal Owner(s): CPP - Normandie Villas GP, LLC, a California limited liability company
FFAH V Normandie Villas, LLC

General Partner Type: Joint Venture
Parent Company(ies): WNC Development Partners 4, LLC
Foundation for Affordable Housing V, Inc.

Developer: Community Preservation Partners
Investor/Consultant: WNC & Associates, Inc
Management Agent(s): FPI Management Corporation

Project Information

Construction Type: Acquisition and Rehabilitation
 Total # Residential Buildings: 4
 Total # of Units: 25
 No. & % of Tax Credit Units: 24 100%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: HUD Section 8 Project-based Vouchers (25 Units - 100%)

Information

Set-Aside: At-Risk
 Housing Type: At-Risk
 Geographic Area: City of Los Angeles
 CTCAC Project Analyst: Brett Andersen

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:	3	10%
At or Below 40% AMI:	4	15%
At or Below 50% AMI:	11	40%
At or Below 60% AMI:	6	25%

Unit Mix

15 2-Bedroom Units
10 3-Bedroom Units
<u>25 Total Units</u>

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 2 Bedrooms	30%	\$851
1 3 Bedrooms	30%	\$983
3 2 Bedrooms	40%	\$1,135
1 3 Bedrooms	40%	\$1,311
6 2 Bedrooms	50%	\$1,418
5 3 Bedrooms	50%	\$1,639
3 2 Bedrooms	60%	\$1,702
3 3 Bedrooms	60%	\$1,967
1 2 Bedrooms	Manager's Unit	\$2,940

Project Cost Summary at Application

Land and Acquisition	\$11,520,000
Construction Costs	\$0
Rehabilitation Costs	\$3,489,000
Construction Contingency	\$498,900
Relocation	\$62,500
Architectural/Engineering	\$185,000
Const. Interest, Perm. Financing	\$2,082,738
Legal Fees	\$112,500
Reserves	\$214,000
Other Costs	\$947,831
Developer Fee	\$1,407,296
Commercial Costs	\$0
Total	\$20,519,765

Residential

Construction Cost Per Square Foot:	\$130
Per Unit Cost:	\$820,791
True Cash Per Unit Cost*:	\$820,791

Construction Financing

Source	Amount
Citibank	\$17,078,320
Net Operating Income	\$1,062,547
Tax Credit Equity	\$2,378,898

Permanent Financing

Source	Amount
Citibank	\$7,831,000
Net Operating Income	\$794,274
Tax Credit Equity	\$11,894,491
TOTAL	\$20,519,765

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$6,970,372
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$10,460,463
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$6,970,372
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$10,460,463
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$627,333
Maximum Annual Federal Credit, Acquisition:	\$418,419
Total Maximum Annual Federal Credit:	\$1,045,752
Total State Credit:	\$3,449,726
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,407,296
Investor/Consultant:	WNC & Associates, Inc
Federal Tax Credit Factor:	\$0.89000
State Tax Credit Factor:	\$0.75000

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

Initial:	Letter of Support
First:	At-Risk
Self-Score Final:	31.052%
CTCAC Final:	31.052%

Significant Information / Additional Conditions

Staff noted a per unit cost of \$820,791 per unit. The applicant noted that this is due to the small unit count and the scope of work required to complete renovations, as well as costs for legal counsel, third-party reports, and other soft costs.

The applicant has requested and been granted a waiver to reduce the 10% mobility feature requirement under CTCAC Regulation Section 10325(f)(7)(K) down to 8%.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Los Angeles, 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 minutes in rush hours	6	6	6
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 3/4 mile of a public elementary school	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Auburn Street, located at 6201 Auburn Street in Bakersfield, requested and is being recommended for a reservation of \$1,645,000 in annual federal tax credits to finance the new construction of 59 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Chelsea Investment Corporation and will be located in Senate District 16 and Assembly District 35.

The project financing includes state funding from the Joe Serna, Jr. Farmworker Housing Grant (FWHG) and the Multi Family Housing (MHP) programs of HCD.

Project Number CA-24-037

Project Name Auburn Street
Site Address: 6201 Auburn Street
Bakersfield, CA 93306
County: Kern
Census Tract: 0009.11

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,645,000	\$0
Recommended:	\$1,645,000	\$0

Applicant Information

Applicant: Pacific Southwest Community Development Corporation
Contact: Robert Laing
Address: 16935 West Barnardo Drive, Suite 238
San Diego, CA 92127
Phone: 858-675-0506
Email: robertlaing@pswcdc.org

General Partner(s) / Principal Owner(s): Pacific Southwest Community Development Corporation
General Partner Type: Nonprofit
Parent Company(ies): Pacific Southwest Community Development Corporation
Developer: Chelsea Investment Corporation
Investor/Consultant: The Richman Group
Management Agent(s): CONAM Management Corporation

Project Information

Construction Type: New Construction
Total # Residential Buildings: 3
Total # of Units: 60
No. & % of Tax Credit Units: 59 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: None.

Information

Set-Aside: N/A
 Housing Type: Large Family
 Geographic Area: Central Valley Region
 CTCAC Project Analyst: Cynthia Compton

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:	12	20%
At or Below 40% AMI:	12	20%
At or Below 50% AMI:	12	20%
At or Below 60% AMI:	23	35%

Unit Mix

15 1-Bedroom Units
 30 2-Bedroom Units
15 3-Bedroom Units
 60 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 1 Bedroom	60%	\$928
3 1 Bedroom	50%	\$773
3 1 Bedroom	40%	\$619
3 1 Bedroom	30%	\$464
11 2 Bedrooms	60%	\$1,114
6 2 Bedrooms	50%	\$928
6 2 Bedrooms	40%	\$743
6 2 Bedrooms	30%	\$557
6 3 Bedrooms	60%	\$1,287
3 3 Bedrooms	50%	\$1,072
3 3 Bedrooms	40%	\$858
3 3 Bedrooms	30%	\$643
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$977,399
Construction Costs	\$16,858,500
Rehabilitation Costs	\$0
Construction Contingency	\$1,020,516
Relocation	\$0
Architectural/Engineering	\$958,500
Const. Interest, Perm. Financing	\$1,780,313
Legal Fees	\$335,000
Reserves	\$127,561
Other Costs	\$1,825,647
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$26,383,437

Residential

Construction Cost Per Square Foot:	\$348
Per Unit Cost:	\$439,724
True Cash Per Unit Cost*:	\$333,057

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Banner Bank	\$13,604,245	Banner Bank	\$1,830,000
HCD: Joe Serna FWHG	\$5,711,044	HCD: Joe Serna FWHG	\$6,400,000
City of Bakersfield: AHTF ¹	\$2,960,477	City of Bakersfield: AHTF ¹	\$2,960,477
Deferred Costs	\$2,676,522	Deferred Developer Fee	\$792,198
Tax Credit Equity	\$1,431,150	Solar Tax Credit Equity	\$89,262
		Tax Credit Equity	\$14,311,500
		TOTAL	\$26,383,437

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

¹Affordable Housing Trust Fund

Determination of Credit Amount(s)

Requested Eligible Basis:	\$18,277,778
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$18,277,778
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,645,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	The Richman Group
Federal Tax Credit Factor:	\$0.87000

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:	Large Family
Self-Score Final:	62.614%
CTCAC Final:	62.614%

Significant Information / Additional Conditions

Staff noted that the preliminary architectural drawings lack detailed description of suitable play/recreational facilities for children ages 13-17. The applicant is cautioned that outdoor play/recreational space must be constructed with appropriate amenities and/or be provided with reasonable play equipment suitable for children ages 13-17 pursuant to CTCAC Regulations 10325(g)(1)(D).

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Bakersfield, has completed a site review of this project and 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of transit, service every 30 minutes in rush hours	5	5	5
Within ½ mile of a public middle school	3	3	3
Within ½ mile of a pharmacy	2	2	2
Highest or High Resource Area	8	8	8
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Terrasini, located at 5255 Mount Etna Drive in San Diego, requested and is being recommended for a reservation of \$2,123,923 in annual federal tax credits to finance the new construction of 94 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Chelsea Investment Corporation and will be located in Senate District 39 and Assembly District 77.

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

Project Number CA-24-038

Project Name Terrasini
Site Address: 5255 Mount Etna Drive
San Diego, CA 92117
County: San Diego
Census Tract: 85.04

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,123,923	\$0
Recommended:	\$2,123,923	\$0

Applicant Information

Applicant: Terrasini CIC, LP
Contact: Heidi W. Mather
Address: 6339 Paseo Del Lago
Carlsbad, CA 92011
Phone: 760-456-6000
Email: hmather@chelseainvestco.com

General Partner(s) / Principal Owner(s): CIC Terrasini, LLC
Mt. Etna Senior Housing, LLC
General Partner Type: Joint Venture
Parent Company(ies): Chelsea Investment Corporation
Senior Housing Corporation
Developer: Chelsea Investment Corporation
Investor/Consultant: US Bank
Management Agent(s): Hyder & Co.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 95
No. & % of Tax Credit Units: 94 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME / HUD Section 8 Project-based Vouchers (8 Units - 8%)

Information

Set-Aside: N/A
Housing Type: Seniors
Geographic Area: San Diego County
CTCAC Project Analyst: Chris Saenz

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:	10	10%
At or Below 40% AMI:	19	20%
At or Below 50% AMI:	29	30%
At or Below 60% AMI:	36	35%

Unit Mix

20 SRO/Studio Units
74 1-Bedroom Units
1 2-Bedroom Units
<u>95 Total Units</u>

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
8 SRO/Studio	60%	\$1,447
6 SRO/Studio	50%	\$1,206
4 SRO/Studio	40%	\$965
2 SRO/Studio	30%	\$723
28 1 Bedroom	60%	\$1,551
23 1 Bedroom	50%	\$1,292
15 1 Bedroom	40%	\$1,034
8 1 Bedroom	30%	\$775
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$9,951,500
Construction Costs	\$23,537,195
Rehabilitation Costs	\$0
Construction Contingency	\$1,381,297
Relocation	\$0
Architectural/Engineering	\$1,407,540
Const. Interest, Perm. Financing	\$3,577,520
Legal Fees	\$485,000
Reserves	\$440,053
Other Costs	\$2,406,277
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$45,686,382

Residential

Construction Cost Per Square Foot:	\$364
Per Unit Cost:	\$480,909
True Cash Per Unit Cost*:	\$368,648

Construction Financing

Source	Amount
Citibank	\$24,940,518
County of San Diego: Land	\$9,940,000
County of San Diego: IHTF ¹	\$6,525,000
City of San Diego ²	\$825,000
Deferred Developer Fee	\$724,818
Deferred Costs	\$883,233
Tax Credit Equity	\$1,847,813

Permanent Financing

Source	Amount
Citibank	\$8,400,000
County of San Diego: Land	\$9,940,000
County of San Diego: IHTF ¹	\$7,250,000
City of San Diego ²	\$825,000
Solar Tax Credit Equity	\$68,434
Deferred Developer Fee	\$724,818
Tax Credit Equity	\$18,478,130
TOTAL	\$45,686,382

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

¹Innovative Housing Trust Fund

²City of San Diego: Bridge To HOME

Determination of Credit Amount(s)

Requested Eligible Basis:	\$18,153,191
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$23,599,149
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,123,923
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	US Bank
Federal Tax Credit Factor:	\$0.87000

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:	Seniors
Self-Score Final:	80.770%
CTCAC Final:	80.770%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, San Diego Housing Commission, 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Negative Points		0	0
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Health & wellness services and programs, minimum 100 hrs per 100 bdrms	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Eastern Ridge Apartments, located at 1556 I Street in Brawley, requested and is being recommended for a reservation of \$1,341,166 in annual federal tax credits to finance the new construction of 50 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Central Valley Coalition for Affordable Housing and will be located in Senate District 18 and Assembly District 36.

The project will be receiving rental assistance in the form of USDA Section 521 Rental Assistance. The project financing includes state funding from the Joe Serna, Jr. Farmworker Housing Grant (FWHG) Program of HCD.

Project Number CA-24-039

Project Name Eastern Ridge Apartments
Site Address: 1556 I Street
Brawley, CA 92227
County: Imperial
Census Tract: 0107.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,341,166	\$0
Recommended:	\$1,341,166	\$0

Applicant Information

Applicant: Brawley Family Associates, a California Limited Partnership
Contact: Christina Alley
Address: 3351 M Street, Suite 100
Merced, CA 95348
Phone: 209.388.0782
Email: chris@centralvalleycoalition.com

General Partner(s) / Principal Owner(s): Central Valley Coalition for Affordable Housing
General Partner Type: Nonprofit
Parent Company(ies): Central Valley Coalition for Affordable Housing
Developer: Central Valley Coalition for Affordable Housing
Investor/Consultant: Boston Financial
Management Agent(s): Buckingham Property Management

Project Information

Construction Type: New Construction
Total # Residential Buildings: 3
Total # of Units: 51
No. & % of Tax Credit Units: 50 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: USDA Section 521 Rental Assistance (50 Units - 100%)

Information

Set-Aside: Rural apportionment (Section 514)
Housing Type: Large Family
Geographic Area: N/A
CTCAC Project Analyst: Jacob Couch

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:	5	10%
At or Below 40% AMI:	10	20%
At or Below 50% AMI (Rural):	25	50%
At or Below 60% AMI:	10	20%

Unit Mix

34 2-Bedroom Units
17 3-Bedroom Units

51 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 2 Bedrooms	30%	\$557
6 2 Bedrooms	40%	\$743
16 2 Bedrooms	50%	\$928
9 2 Bedrooms	60%	\$1,114
2 3 Bedrooms	30%	\$643
4 3 Bedrooms	40%	\$858
9 3 Bedrooms	50%	\$1,072
1 3 Bedrooms	60%	\$1,287
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$510,000
Construction Costs	\$19,699,429
Rehabilitation Costs	\$0
Construction Contingency	\$1,230,000
Relocation	\$0
Architectural/Engineering	\$590,000
Const. Interest, Perm. Financing	\$1,087,300
Legal Fees	\$50,000
Reserves	\$300,792
Other Costs	\$1,578,940
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$27,546,461

Residential

Construction Cost Per Square Foot:	\$402
Per Unit Cost:	\$540,127
True Cash Per Unit Cost*:	\$528,362

Construction Financing

Source	Amount
California Bank & Trust	\$12,846,023
HCD: Joe Serna	\$10,800,000
Deferred Costs	\$300,792
Deferred Developer Fee	\$2,500,000
Tax Credit Equity	\$1,099,646

Permanent Financing

Source	Amount
California Bank & Trust	\$2,950,000
HCD: Joe Serna	\$12,000,000
USDA Section 514	\$1,000,000
Deferred Developer Fee	\$600,000
Tax Credit Equity	\$10,996,461
TOTAL	\$27,546,461

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$11,462,960
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$14,901,848
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,341,166
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.81992

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:	Large Family
Self-Score Final:	84.559%
CTCAC Final:	84.559%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1 mile of public park or community center open to general public	3	3	3
Within 2 miles of public library	2	2	2
Within 2 miles of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 1/2 miles of an adult education campus or community college	3	3	3
Within 1 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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.**

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

The project, 18722 Sherman Way, located at 18722 Sherman Way in Los Angeles, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$6,893,775 in total state tax credits to finance the new construction of 63 units of housing serving special needs tenants with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by LA Family Housing Corporation and will be located in Senate District 27 and Assembly District 46.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Infill Infrastructure Grant (IIG) of HCD.

Project Number CA-24-044

Project Name 18722 Sherman Way
Site Address: 18722 Sherman Way
Los Angeles, CA 91335
County: Los Angeles
Census Tract: 1310.24

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$6,893,775
Recommended:	\$2,500,000	\$6,893,775

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

Applicant Information

Applicant: LA Family Housing Corporation
Contact: Elda Mendez-Lemus
Address: 7843 Lankshershim Blvd
North Hollywood , CA 91605
Phone: (818) 430-5720
Email: emendez@lafh.org

General Partner(s) / Principal Owner(s): 18722 Sherman Way GP LLC
General Partner Type: Nonprofit
Parent Company(ies): LA Family Housing Corporation
Developer: LA Family Housing Corporation
Investor/Consultant: California Housing Partnership Corporation
Management Agent(s): Abode Communities

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 64
 No. & % of Tax Credit Units: 63 100%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: HUD Section 8 Project-based Vouchers (63 Units - 100%)

Information

Set-Aside: Special Needs
 Housing Type: Special Needs
 Type of Special Needs: Homeless and Chronically Homeless
 Average Targeted Affordability of Special Needs Project Units: 34.80%
 % of Special Need Units: 63 units 100.00%
 Geographic Area: City of Los Angeles
 CTCAC Project Analyst: Sopida Steinwert

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:	48	75%
At or Below 50% AMI:	15	20%

Unit Mix

<u>63 SRO/Studio Units</u>
64 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
48 SRO/Studio	30%	\$662
15 SRO/Studio	50%	\$1,010
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$5,126,043
Construction Costs	\$25,616,067
Construction Contingency	\$2,845,912
Relocation	\$160,000
Architectural/Engineering	\$2,086,200
Const. Interest, Perm. Financing	\$6,097,394
Legal Fees	\$260,000
Reserves	\$718,274
Other Costs	\$2,189,697
Developer Fee	\$2,500,000
Total	\$47,599,587

Residential

Construction Cost Per Square Foot:	\$656
Per Unit Cost:	\$743,744
True Cash Per Unit Cost*:	\$743,744

Construction Financing

Permanent Financing

<u>Source</u>	<u>Amount</u>
Citibank	\$32,718,896
LAHD: HHH ¹	\$6,622,908
HCD: IIG	\$3,791,088
Deferred Costs	\$1,803,074
Tax Credit Equity	\$2,663,621

<u>Source</u>	<u>Amount</u>
Citibank	\$8,127,000
LAHD: HHH ¹	\$6,622,908
HCD: IIG	\$4,212,320
Tax Credit Equity	\$28,637,359
TOTAL	\$47,599,587

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

¹Los Angeles Housing Department Proposition HHH

Determination of Credit Amount(s)

Requested Eligible Basis:	\$22,979,251
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$29,873,026
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$6,893,775
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.91111
State Tax Credit Factor:	\$0.85000

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

Initial:	Letter of Support
First:	Special Needs
Self-Score Final:	73.468%
CTCAC Final:	68.818%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$743,744. The applicant noted that the per unit cost is attributed to a series of design changes, a prolonged predevelopment period, and the project’s location in the City of Los Angeles, which is an abnormally expensive area to develop and purchase land.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 3/4 mile of public park or community center open to general public	2	2	2
Within 1 mile of public library	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Alvarado Senior Village, located at 528 East Alvarado Street in Fallbrook, requested and is being recommended for a reservation of \$2,053,656 in annual federal tax credits to finance the new construction of 53 units of housing serving seniors with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by San Diego Community Housing Corporation and will be located in Senate District 40 and Assembly District 75.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Infill Infrastructure Grant (IIG) and No Place Like Home (NPLH) programs of HCD.

Project Number CA-24-045

Project Name Alvarado Senior Village
Site Address: 528 East Alvarado Street
Fallbrook, CA 92028
County: San Diego
Census Tract: 189.04

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,053,656	\$0
Recommended:	\$2,053,656	\$0

Applicant Information

Applicant: Alvarado Village LP
Contact: Theodore Miyahara
Address: 4725 Mercury Street, Suite 202
San Diego, CA 92111
Phone: 619-876-4222
Email: tmiyahara@ots-sdchc.org

General Partner(s) / Principal Owner(s): Alvarado Village LLC
General Partner Type: Nonprofit
Parent Company(ies): San Diego Community Housing Corporation
Developer: San Diego Community Housing Corporation
Investor/Consultant: California Housing Partnership
Management Agent(s): Solari Enterprises, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 54
No. & % of Tax Credit Units: 53 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME / CDBG / HUD Section 8 Project-based Vouchers (53 Units - 100%)

Information

Set-Aside: Rural apportionment (HOME)
 Housing Type: Seniors
 Geographic Area: N/A
 CTCAC Project Analyst: Jacob Paixao

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:	42	75%
At or Below 50% AMI (Rural):	11	20%

Unit Mix

49 1-Bedroom Units
<u>5 2-Bedroom Units</u>
54 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
39 1 Bedroom	30%	\$775
10 1 Bedroom	50%	\$1,292
3 2 Bedrooms	30%	\$930
1 2 Bedrooms	50%	\$1,551
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,526,900
Construction Costs	\$23,324,886
Rehabilitation Costs	\$0
Construction Contingency	\$1,382,525
Relocation	\$0
Architectural/Engineering	\$1,381,050
Const. Interest, Perm. Financing	\$3,025,648
Legal Fees	\$175,000
Reserves	\$537,338
Other Costs	\$2,398,252
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$36,251,599

Residential

Construction Cost Per Square Foot:	\$537
Per Unit Cost:	\$671,326
True Cash Per Unit Cost*:	\$671,326

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
JPMorgan Chase Bank	\$22,848,160	JPMorgan Chase Bank	\$9,576,000
HCD: IIG	\$2,755,800	HCD: IIG	\$2,755,800
County of San Diego ¹	\$4,410,000	County of San Diego ¹	\$4,900,000
County of San Diego: NPLH	\$1,143,180	County of San Diego: NPLH	\$1,270,200
RTCIP Impact Fee Waiver ²	\$148,066	RTCIP Impact Fee Waiver ²	\$148,066
Deferred Costs	\$2,530,138	Tax Credit Equity	\$17,601,533
Tax Credit Equity	\$2,416,255	TOTAL	\$36,251,599

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

¹County of San Diego: HOME/CDBG/PLHA

²Regional Transportation Congestion Improvement Program

Determination of Credit Amount(s)

Requested Eligible Basis:	\$17,552,628
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$22,818,416
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,053,656
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.85708

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:	Seniors
Self-Score Final:	72.015%
CTCAC Final:	72.015%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$671,326. The applicant noted that the per unit cost is attributed to the site location being classified as a "non-infiltration site", requiring on-site treatment of stormwater drainage. In addition, the applicant noted installation costs for a Solar PV system and prevailing wage requirements.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, County of San Diego, has completed a site review of this project and 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Senior project within 1 mile of daily operated senior center/facility	3	3	3
Within 1 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
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
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Westgate Manor, located at 2330 Sherman Avenue in Corcoran, requested and is being recommended for a reservation of \$736,963 in annual federal tax credits and \$2,449,459 in total state tax credits to finance the acquisition and rehabilitation of 43 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Micon Real Estate, Inc. and is located in Senate District 16 and Assembly District 33.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of USDA Section 521 Rental Assistance.

Project Number CA-24-048

Project Name Westgate Manor
Site Address: 2330 Sherman Avenue
Corcoran, CA 93212
County: Kings
Census Tract: 0015.00

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$736,963	\$2,449,459
Recommended:	\$736,963	\$2,449,459

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant: Central Valley Coalition for Affordable Housing
Contact: Christina Alley
Address: 3351 "M" Street, Suite 100
Merced, CA 95348
Phone: (209) 388-0782
Email: chris@centralvalleycoalition.com

General Partner(s) / Principal Owner(s): Central Valley Coalition for Affordable Housing
General Partner Type: Nonprofit
Parent Company(ies): Central Valley Coalition for Affordable Housing
Developer: Micon Real Estate, Inc.
Investor/Consultant: Boston Financial
Management Agent(s): Buckingham Property Management

Project Information

Construction Type: Acquisition and Rehabilitation
Total # Residential Buildings: 1
Total # of Units: 44
No. & % of Tax Credit Units: 43 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: USDA Section 521 Rental Assistance (43 Units - 100%)

Information

Set-Aside: Rural
Housing Type: At-Risk
Geographic Area: N/A
CTCAC Project Analyst: Jacob Couch

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:	5	10%
At or Below 45% AMI:	5	10%
At or Below 50% AMI (Rural):	22	50%
At or Below 55% AMI (Rural):	5	10%
At or Below 60% AMI:	6	10%

Unit Mix

<u>44 1-Bedroom Units</u>
44 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 1 Bedroom	30%	\$464
5 1 Bedroom	45%	\$696
22 1 Bedroom	50%	\$773
5 1 Bedroom	55%	\$851
6 1 Bedroom	60%	\$928
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,200,000
Construction Costs	\$0
Rehabilitation Costs	\$4,262,800
Construction Contingency	\$501,280
Relocation	\$600,000
Architectural/Engineering	\$160,000
Const. Interest, Perm. Financing	\$705,000
Legal Fees	\$420,000
Reserves	\$713,314
Other Costs	\$289,111
Developer Fee	\$1,046,062
Commercial Costs	\$0
Total	\$10,897,567

Residential

Construction Cost Per Square Foot:	\$141
Per Unit Cost:	\$247,672
True Cash Per Unit Cost*:	\$247,307

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank	\$3,875,447	USDA Section 515	\$2,952,132
USDA Section 515	\$2,952,132	Deferred Developer Fee	\$16,042
Deferred Costs	\$113,314	Tax Credit Equity	\$7,929,393
Deferred Developer Fee	\$784,916	TOTAL	\$10,897,567
Tax Credit Equity	\$3,171,758		

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$7,243,942
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$2,125,200
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$7,243,942
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$2,125,200
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$651,955
Maximum Annual Federal Credit, Acquisition:	\$85,008
Total Maximum Annual Federal Credit:	\$736,963
Total State Credit:	\$2,449,459
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,046,062
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.83000
State Tax Credit Factor:	\$0.74000

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:	At-Risk
Self-Score Final:	55.695%
CTCAC Final:	55.695%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Dial-a-ride service for rural set-aside	4	4	4
Within 1 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	0
Within 1 mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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.**

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Fox Point Farms, located at 1150 Quail Gardens Drive in Encinitas, requested and is being recommended for a reservation of \$2,150,796 in annual federal tax credits to finance the new construction of 39 units of housing serving families with rents affordable to households earning 30%-45% of area median income (AMI). The project will be developed by Chelsea Investment Corporation and will be located in Senate District 36 and Assembly District 76.

Project Number CA-24-052

Project Name Fox Point Farms
Site Address: 1150 Quail Gardens Drive
Encinitas, CA 92024
County: San Diego
Census Tract: 176.01

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,150,796	\$0
Recommended:	\$2,150,796	\$0

Applicant Information

Applicant: Fox Point CIC, LP
Contact: Cheri Hoffman
Address: 6339 Paseo del Lago
Carlsbad, CA 92011
Phone: 760-456-6000
Email: cherihoffman@chelseainvestco.com

General Partner(s) / Principal Owner(s): Pacific Southwest Community Development Corporation
CIC Fox Point, LLC

General Partner Type: Joint Venture

Parent Company(ies): Pacific Southwest Community Development Corporation
Chelsea Investment Corporation

Developer: Chelsea Investment Corporation

Investor/Consultant: Raymond James

Management Agent(s): ConAm Management Corporation

Project Information

Construction Type: New Construction

Total # Residential Buildings: 21

Total # of Units: 40

No. & % of Tax Credit Units: 39 100%

Federal Set-Aside Elected: 40%/60%

Information

Set-Aside: N/A

Housing Type: Large Family

Geographic Area: San Diego 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:	4	10%
At or Below 45% AMI:	35	65%

Unit Mix

6 SRO/Studio Units
14 1-Bedroom Units
10 2-Bedroom Units
10 3-Bedroom Units
<u>40 Total Units</u>

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 SRO/Studio	45%	\$1,085
11 1 Bedroom	45%	\$1,163
2 1 Bedroom	30%	\$775
9 2 Bedrooms	45%	\$1,395
1 2 Bedrooms	30%	\$930
9 3 Bedrooms	45%	\$1,612
1 3 Bedrooms	30%	\$1,075
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$5,120,000
Construction Costs	\$16,460,851
Rehabilitation Costs	\$0
Construction Contingency	\$1,004,951
Relocation	\$0
Architectural/Engineering	\$1,418,911
Const. Interest, Perm. Financing	\$2,590,337
Legal Fees	\$305,000
Reserves	\$128,271
Other Costs	\$1,838,776
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$31,367,096

Residential

Construction Cost Per Square Foot:	\$336
Per Unit Cost:	\$784,177
True Cash Per Unit Cost*:	\$662,679

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Banner Bank	\$17,548,103	Banner Bank	\$2,030,000
Shea Homes: Land Donation	\$4,200,000	Shea Homes: Land Donation	\$4,200,000
Shea Homes: Gap Funding	\$5,120,000	Shea Homes: Gap Funding	\$5,120,000
Deferred Costs	\$2,563,277	Deferred Developer Fee	\$659,933
Tax Credit Equity	\$1,935,716	Tax Credit Equity	\$19,357,163
		TOTAL	\$31,367,096

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$18,382,969
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$23,897,859
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,150,796
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Raymond James
Federal Tax Credit Factor:	\$0.90000

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:	Large Family
Self-Score Final:	50.410%
CTCAC Final:	50.410%

Significant Information / Additional Conditions: None.

Staff noted a per unit cost of \$662,679 per unit. The applicant noted that the cost is due to material and labor prices, the uniqueness of this inclusionary development, in which the affordable units are directly intermixed with market rate/for sale units, and the high-cost of the region.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, the City of Encinitas, 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/8 mile of transit station or public bus stop	4	4	4
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of an adult education campus or community college	3	3	3
Within 3/4 mile of a public elementary school	2	2	2
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Jordan Downs Phase S5, located at 10111 S. Lou Dillon Avenue in Los Angeles, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$12,924,739 in total state tax credits to finance the new construction of 57 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by The Michaels Development Company and will be located in Senate District 35 and Assembly District 65.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers and Rental Assistance Demonstration (RAD) Project-based Vouchers. The project financing includes state funding from the Infill Infrastructure Grant (IIG) program of HCD.

Project Number CA-24-053

Project Name Jordan Downs Phase S5
Site Address: 10111 S. Lou Dillon Avenue
Los Angeles, CA 90002
County: Los Angeles
Census Tract: 2421.00

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$12,924,739
Recommended:	\$2,500,000	\$12,924,739

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant: Jordan Downs Phase S5, LP
Contact: John Mimms
Address: 2 Cooper Street, 14th Floor
Camden, NJ 08102
Phone: 310-483-1291
Email: jmimms@tmo.com

General Partner(s) / Principal Owner(s): Jordan S5-Michaels, LLC
La Cienega LOMOD, Inc.
General Partner Type: Joint Venture
Parent Company(ies): The Michaels Development Company I, L.P.
Housing Authority of the City of Los Angeles
Developer: The Michaels Development Company
Investor/Consultant: Berkadia Affordable Tax Credit Solutions
Management Agent(s): Michaels Management-Affordable, LLC

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 75
 No. & % of Tax Credit Units: 57 77%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: HUD Section 8 Project-based Vouchers (54 Units - 72.00%)
 RAD Conversion Project-based Vouchers (12 Units - 16.00%)

Information

Set-Aside: N/A
 Housing Type: Large Family
 Geographic Area: City of Los Angeles
 CTCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AMI:	15	25%
At or Below 50% AMI:	29	40%
At or Below 60% AMI:	13	20%

Unit Mix

2 SRO/Studio Units
20 1-Bedroom Units
28 2-Bedroom Units
19 3-Bedroom Units
6 4-Bedroom Units
75 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 1 Bedroom	30%	\$710
2 2 Bedrooms	30%	\$852
1 3 Bedrooms	30%	\$985
1 4 Bedrooms	30%	\$1,098
2 1 Bedroom	50%	\$1,183
4 2 Bedrooms	50%	\$1,419
3 3 Bedrooms	50%	\$1,640
2 4 Bedrooms	50%	\$1,828
1 1 Bedroom	60%	\$1,418
7 2 Bedrooms	60%	\$1,701
3 3 Bedrooms	60%	\$1,968
1 4 Bedrooms	60%	\$2,194
1 2 Bedrooms	50%	\$1,419
1 3 Bedrooms	50%	\$1,640
1 3 Bedrooms	60%	\$1,967
5 2 Bedrooms	30%	\$852
5 3 Bedrooms	30%	\$985
9 1 Bedroom	50%	\$1,183
6 2 Bedrooms	50%	\$1,419
1 3 Bedrooms	50%	\$1,640
1 3 Bedrooms	Manager's Unit	\$0
2 SRO/Studio	Market Rate Unit	\$3,700
1 1 Bedroom	Market Rate Unit	\$1,900
5 1 Bedroom	Market Rate Unit	\$9,500
1 1 Bedroom	Market Rate Unit	\$905
3 2 Bedrooms	Market Rate Unit	\$3,453
3 3 Bedrooms	Market Rate Unit	\$4,488
1 4 Bedrooms	Market Rate Unit	\$1,642
1 5 Bedrooms	Market Rate Unit	\$1,888

Project Cost Summary at Application

Land and Acquisition	\$8,428,840
Construction Costs	\$37,556,852
Construction Contingency	\$2,240,592
Architectural/Engineering	\$2,247,674
Const. Interest, Perm. Financing	\$6,744,182
Legal Fees	\$444,312
Reserves	\$1,253,740
Other Costs	\$3,522,751
Developer Fee	\$2,200,000
Commercial Costs	\$1,363,106
Total	\$66,002,049

Residential

Construction Cost Per Square Foot:	\$546
Per Unit Cost:	\$861,853
True Cash Per Unit Cost*:	\$861,853

Construction Financing

Source	Amount
Citibank	\$35,000,000
HACLA - Ground Lease	\$3,375,000
HACLA - Gap Loan	\$4,400,000
HACLA - CNI ¹	\$8,050,000
HACLA - IIG	\$4,975,000
Tax Credit Equity	\$10,202,049

Permanent Financing

Source	Amount
Citibank	\$12,250,000
HACLA - Ground Lease	\$3,375,000
HACLA - Gap Loan	\$4,400,000
HACLA - CNI ¹	\$8,050,000
HACLA - IIG	\$4,975,000
Tax Credit Equity	\$32,952,049
TOTAL	\$66,002,049

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

¹Choice Neighborhoods Implementation

Determination of Credit Amount(s)

Requested Eligible Basis:	\$56,147,653
130% High Cost Adjustment:	Yes
Applicable Fraction:	77.03%
Qualified Basis:	\$43,248,868
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$12,924,739
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Berkadia Affordable Tax Credit Solutions
Federal Tax Credit Factor:	\$0.92000
State Tax Credit Factor:	\$0.77000

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

Initial:	Letter of Support
First:	Large Family
Self-Score Final:	56.198%
CTCAC Final:	44.786%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$861,853. The applicant noted that the per unit cost is attributed to extraordinary infrastructure and unknown legacy costs atypical of a traditional affordable housing project, the requirement of both Davis Bacon and State of California prevailing wages, HUD Section 3 local hiring requirements, and the podium style of the building with a parking garage below residential housing units.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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 REAPPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

The project, 300 Alamitos, located at 900 4th Street and 300 Alamitos Avenue in Long Beach, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$10,944,628 in total state tax credits to finance the new construction of 81 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Mercy Housing 112, LP and will be located in Senate District 33 and Assembly District 69.

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

Project Number CA-24-054

Project Name 300 Alamitos
Site Address: 900 4th Street and 300 Alamitos Avenue
Long Beach, CA 90802
County: Los Angeles
Census Tract: 5765.01

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$10,944,628
Recommended:	\$2,500,000	\$10,944,628

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant: Mercy Housing California 112, L.P., A California Limited Partnership
Contact: Erika Villablanca
Address: 1500 S. Grand Ave.
Los Angeles, CA 90015
Phone: 213-743-5826
Email: evillablanca@mercyhousing.org

General Partner(s) / Principal Owner(s): Mercy Housing 112 LLC
CTY Housing, LLC
General Partner Type: Joint Venture
Parent Company(ies): Mercy Housing Calwest
CTY Housing, Inc.
Developer: Mercy Housing 112, LP
Investor/Consultant: California Housing Partnership
Management Agent(s): Mercy Housing Management Group

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 82
 No. & % of Tax Credit Units: 81 100%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: HUD-VASH Project-based Vouchers (20 Units - 25%) / HUD Section 8 Project-Based Vouchers (20 Units - 25%)

Information

Set-Aside: N/A
 Housing Type: Seniors
 Geographic Area: Balance of Los Angeles County
 CTCAC Project Analyst: Jacob Couch

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:	40	45%
At or Below 50% AMI:	33	40%
At or Below 60% AMI:	8	5%

Unit Mix

81 1-Bedroom Units
1 2-Bedroom Units
<u>82 Total Units</u>

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
12 1 Bedroom	30%	\$512
8 1 Bedroom	30%	\$709
20 1 Bedroom	30%	\$709
33 1 Bedroom	50%	\$1,182
8 1 Bedroom	60%	\$1,419
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$6,319,130
Construction Costs	\$32,642,139
Construction Contingency	\$2,547,141
Relocation	\$30,000
Architectural/Engineering	\$2,503,298
Const. Interest, Perm. Financing	\$5,276,957
Legal Fees	\$140,000
Reserves	\$475,992
Other Costs	\$2,224,810
Developer Fee	\$2,500,000
Total	\$54,659,467

Residential

Construction Cost Per Square Foot:	\$527
Per Unit Cost:	\$666,579
True Cash Per Unit Cost*:	\$666,579

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
JPMorgan Chase Bank	\$32,096,608	JPMorgan Chase	\$4,487,000
National Housing Trust Fund	\$12,264,088	National Housing Trust Fund	\$13,626,765
Long Beach Investment Co.	\$5,000,000	Long Beach Investment Co.	\$5,000,000
Deferred Costs	\$2,333,201	Tax Credit Equity	\$31,545,702
Tax Credit Equity	\$2,965,570	TOTAL	\$54,659,467

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$36,482,093
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$36,482,093
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$10,944,628
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.91160
State Tax Credit Factor:	\$0.80000

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:	Seniors
Self-Score Final:	66.632%
CTCAC Final:	66.632%

Significant Information / Additional Conditions

Staff noted a per-unit cost of \$666,57. The applicant noted that this project's cost is due to structural costs associated with tuck-under parking, underground utilities and removal of existing utility poles. Additionally, the project is subject to environmental mitigation, off-site improvement, and prevailing wage requirements.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Senior project within 1/2 mile of daily operated senior center/facility	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
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
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Enhanced Accessibility and Visitability	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

MCA#3 Apartments, located at 3940 Gibraltar Avenue in Los Angeles, requested and is being recommended for a reservation of \$707,022 in annual federal tax credits and \$2,335,651 in total state tax credits to finance the acquisition and rehabilitation of 19 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Community Preservation Partners, LLC and is located in Senate District 28 and Assembly District 55.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-24-055

Project Name MCA#3 Apartments
Site Address: 3940 Gibraltar Avenue
Los Angeles, CA 90008
County: Los Angeles
Census Tract: 2362.06

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$707,022	\$2,335,651
Recommended:	\$707,022	\$2,335,651

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant: MCA#3 Community Partners, LP
Contact: Seth Gellis
Address: 17782 Sky Park Circle
Irvine, CA 92614
Phone: 949-278-3658
Email: sgellis@cpp-housing.com

General Partner(s) / Principal Owner(s): CPP - MCA#3 GP, LLC
FFAH V 3940 Gibraltar Avenue, LLC

General Partner Type: Joint Venture

Parent Company(ies): WNC Development Partners 4, LLC
Foundation for Affordable Housing V, Inc

Developer: Community Preservation Partners, LLC

Investor/Consultant: WNC & Associates, Inc

Management Agent(s): FPI Management Corporation

Project Information

Construction Type: Acquisition and Rehabilitation
 Total # Residential Buildings: 1
 Total # of Units: 20
 No. & % of Tax Credit Units: 19 100%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: HUD Section 8 Project-based Vouchers (20 Units - 100%)

Information

Set-Aside: At-Risk
 Housing Type: At-Risk
 Geographic Area: City of Los Angeles
 CTCAC Project Analyst: Sopida Steinwert

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:	3	15%
At or Below 40% AMI:	3	15%
At or Below 50% AMI:	5	25%
At or Below 60% AMI:	8	40%

Unit Mix

12 1-Bedroom Units
8 2-Bedroom Units
 20 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 2 Bedrooms	30%	\$851
2 1 Bedroom	30%	\$709
2 2 Bedrooms	40%	\$1,135
1 1 Bedroom	40%	\$946
2 2 Bedrooms	50%	\$1,418
3 1 Bedroom	50%	\$1,182
3 2 Bedrooms	60%	\$1,702
5 1 Bedroom	60%	\$1,419
1 1 Bedroom	Manager's Unit	\$2,820

Project Cost Summary at Application

Land and Acquisition	\$7,270,000
Rehabilitation Costs	\$2,791,200
Construction Contingency	\$429,120
Relocation	\$40,000
Architectural/Engineering	\$176,000
Const. Interest, Perm. Financing	\$1,110,776
Legal Fees	\$162,500
Reserves	\$139,000
Other Costs	\$245,981
Developer Fee	\$961,782
Total	\$13,326,359

Residential

Construction Cost Per Square Foot:	\$171
Per Unit Cost:	\$666,318
True Cash Per Unit Cost*:	\$655,195

Construction Financing

<u>Source</u>	<u>Amount</u>
Citibank	\$10,611,043
Net Operating Income	\$354,667
Deferred Developer Fee	\$751,802
Tax Credit Equity	\$1,608,847

Permanent Financing

<u>Source</u>	<u>Amount</u>
Citibank	\$4,705,000
Net Operating Income	\$354,667
Deferred Developer Fee	\$222,458
Tax Credit Equity	\$8,044,234
TOTAL	\$13,326,359

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$5,155,823
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$6,074,941
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$5,155,823
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$6,074,941
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$464,024
Maximum Annual Federal Credit, Acquisition:	\$242,998
Total Maximum Annual Federal Credit:	\$707,022
Total State Credit:	\$2,335,651
Approved Developer Fee (in Project Cost & Eligible Basis):	\$961,782
Investor/Consultant:	WNC & Associates, Inc
Federal Tax Credit Factor:	\$0.89000
State Tax Credit Factor:	\$0.75000

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:	At-Risk
Self-Score Final:	26.481%
CTCAC Final:	26.481%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$655,195. The applicant noted that the per unit cost is attributed to the small unit count (20 units) and the scope of work required to complete renovations, as well as costs for legal counsel, lender fees, thirty party reports, and other soft costs.

The applicant requested and received a waiver to reduce the 10% mobility feature requirement under CTCAC Regulation Section 10325(f)(7)(K) to 0% due to it being impractical / undue financial burden. However, the project will provide 2 enhanced units which will include an accessible lavatory, accessible toilet, and backing for grab bars. The project must still provide at least 4% of the units with communications features that meet the requirements of Chapter 11(B).

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 42 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Oak Gardens, located at 795 Willow Road in Menlo Park, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$3,247,634 in total state tax credits to finance the new construction of 60 units of housing serving special needs tenants with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by MidPen Housing Corporation and will be located in Senate District 13 and Assembly District 23.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Veterans Housing and Homelessness Prevention (VHHP) program of HCD.

Project Number CA-24-059

Project Name Oak Gardens
Site Address: 795 Willow Road
Menlo Park, CA 94025
County: San Mateo
Census Tract: 6139.

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$3,247,634
Recommended:	\$2,500,000	\$3,247,634

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

Applicant Information

Applicant: MidPen Housing Corporation
Contact: Matthew O. Franklin
Address: 303 Vintage Drive, Suite 250
Foster City, CA 94404
Phone: 650-356-2903
Email: mfranklin@midpen-housing.org

General Partner(s) / Principal Owner(s): MP Oak Gardens LLC
General Partner Type: Nonprofit
Parent Company(ies): Mid-Peninsula Half Moon Bay, Inc.
Developer: MidPen Housing Corporation
Investor/Consultant: California Housing Partnership
Management Agent(s): MidPen Property Management Corporation

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 62
No. & % of Tax Credit Units: 60 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (35 Units - 58%)

Information

Set-Aside: Nonprofit (Homeless assistance)
 Housing Type: Special Needs
 Type of Special Needs: Homeless Veterans
 Average Targeted Affordability of Special Needs Project Units: 39.80%
 % of Special Need Units: 55 units 91.67%
 Geographic Area: South and West Bay Region
 CTCAC Project Analyst: Dylan Hervey

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:	28	45%
At or Below 40% AMI:	4	5%
At or Below 50% AMI:	28	40%

Unit Mix

55 1-Bedroom Units
5 2-Bedroom Units
2 3-Bedroom Units
<u>62 Total Units</u>

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
18 1 Bedroom	30%	\$1,045
8 1 Bedroom	30%	\$1,045
3 1 Bedroom	40%	\$1,394
25 1 Bedroom	50%	\$1,742
1 2 Bedrooms	30%	\$1,254
1 2 Bedrooms	40%	\$1,673
2 2 Bedrooms	50%	\$2,091
1 3 Bedrooms	30%	\$1,449
1 3 Bedrooms	50%	\$2,415
1 1 Bedroom	Manager's Unit	\$0
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$8,369,819
Construction Costs	\$33,809,812
Rehabilitation Costs	\$0
Construction Contingency	\$2,199,281
Relocation	\$0
Architectural/Engineering	\$1,899,033
Const. Interest, Perm. Financing	\$4,807,782
Legal Fees	\$378,925
Reserves	\$534,570
Other Costs	\$1,906,122
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$56,405,344

Residential

Construction Cost Per Square Foot:	\$647
Per Unit Cost:	\$909,764
True Cash Per Unit Cost*:	\$789,764

Construction Financing	
Source	Amount
Silicon Valley Bank	\$33,179,444
HTSV ¹	\$2,609,000
County of San Mateo	\$4,000,000
City of Menlo Park	\$2,000,000
FHLB-SF AHP ³	\$1,000,000
Donated Land - VA ⁴	\$7,440,000
Deferred Costs	\$2,342,970
Tax Credit Equity	\$3,833,930

Permanent Financing	
Source	Amount
HTSV ¹	\$2,609,000
HCD - VHHP ²	\$12,833,477
County of San Mateo	\$4,000,000
City of Menlo Park	\$2,000,000
FHLB-SF AHP ³	\$1,000,000
Donated Land - VA ⁴	\$7,440,000
Tax Credit Equity	\$26,522,867
TOTAL	\$56,405,344

¹The Housing Trust of Silicon Valley (HTSV)

²Housing and Community Development (HCD) - Veterans Housing and Homelessness Prevention (VHHP)

³Federal Home Loan Bank of San Francisco (FHLB-SF) - Affordable Housing Program (AHP)

⁴United States of America (Department of Veterans Affairs)

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,367,521
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,777
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$3,247,634
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.95309
State Tax Credit Factor:	\$0.83000

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:	Special Needs
Self-Score Final:	94.123%
CTCAC Final:	94.123%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$789,764, The applicant noted that the per unit cost is attributed to offsite costs such as landscaping, utilities, and a fire access road.

Resyndication and Resyndication Transfer Event. None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/4 mile of a neighborhood market of at least 5,000 sf	4	4	4
Special Needs project within 1/2 mile of facility serving tenant population	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Hawthorn Senior Apartments, located at 124 N. 15th Street in San Jose, requested and is being recommended for a reservation of \$2,127,500 in annual federal tax credits to finance the new construction of 101 units of housing serving seniors with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by Santa Clara County Housing Authority and will be located in Senate District 15 and Assembly District 25.

The project will be receiving rental assistance in the form of Santa Clara County Measure A Project-Based Vouchers. The project financing includes state funding from the No Place Like Home (NPLH) program of HCD.

Project Number CA-24-069

Project Name Hawthorn Senior Apartments
Site Address: 124 N. 15th Street
San Jose, CA 95112
County: Santa Clara
Census Tract: 5012.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,127,500	\$0
Recommended:	\$2,127,500	\$0

Applicant Information

Applicant: Hawthorn Senior Apartments LP
Contact: Karl Lauff
Address: 124 N. 15th Street
San Jose, CA 95112
Phone: (669) 214-9902
Email: karl.lauff@scchousingauthority.org

General Partner(s) / Principal Owner(s): Hawthorn Senior Apartments LLC
General Partner Type: Nonprofit
Parent Company(ies): DeRose HDC, Inc
Developer: Santa Clara County Housing Authority
Investor/Consultant: California Housing Partnership
Management Agent(s): John Stewart Company

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 103
No. & % of Tax Credit Units: 101 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (47 units - 46%)

Information

Set-Aside: N/A
Housing Type: Seniors
Geographic Area: South and West Bay Region
CTCAC Project Analyst: Jacob Couch

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:	51	50%
At or Below 50% AMI:	50	40%

Unit Mix

36 SRO/Studio Units
62 1-Bedroom Units
5 2-Bedroom Units
103 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
17 SRO/Studio	30%	\$936
28 1 Bedroom	30%	\$1,003
2 2 Bedrooms	30%	\$1,204
4 1 Bedroom	30%	\$1,003
19 SRO/Studio	50%	\$1,561
30 1 Bedroom	50%	\$1,673
1 2 Bedrooms	50%	\$2,007
2 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,202,897
Construction Costs	\$63,861,458
Construction Contingency	\$3,740,524
Architectural/Engineering	\$3,778,090
Const. Interest, Perm. Financing	\$5,066,964
Legal Fees	\$230,000
Reserves	\$1,077,352
Other Costs	\$4,497,126
Developer Fee	\$2,500,000
Total	\$88,954,411

Residential

Construction Cost Per Square Foot:	\$759
Per Unit Cost:	\$863,635
True Cash Per Unit Cost*:	\$863,635

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo	\$30,404,310	CCRC	\$14,679,000
SC County: Measure A	\$15,550,000	SC County: Measure A	\$15,550,000
SC County: NPLH ¹	\$4,000,000	SC County: NPLH ¹	\$4,000,000
SCCHA: MTW ²	\$27,815,557	SCCHA: MTW ²	\$27,815,557
SCCHA: Non-MTW	\$6,662,896	SCCHA: Non-MTW	\$6,662,896
Deferred Costs	\$2,654,452	Tax Credit Equity	\$20,246,958
Tax Credit Equity	\$1,867,196	TOTAL	\$88,954,411

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

¹ Santa Clara County: No Place Like Home

² Santa Clara County Housing Authority: Moving to Work

Determination of Credit Amount(s)

130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$23,638,889
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,127,500
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.95168

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:	Seniors
Self-Score Final:	123.467%
CTCAC Final:	123.092%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$863,635. The applicant noted that the per unit cost is attributed to high land and impact fees, prevailing wages, labor, insurance, and financing costs, as well as setback requirements and height limitations that required a concrete podium and parking stackers.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Senior project within 1/2 mile of daily operated senior center/facility	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
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. 84 hrs/yr instruction	7	7	7
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AML or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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.**



California Tax Credit Allocation Committee

AGENDA ITEM 6

Public Comment



California Tax Credit Allocation Committee

AGENDA ITEM 7

Adjournment