

**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

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
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
<u>36 3-Bedroom Units</u>
108 Total Units

<u>Unit Type &amp; 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
<b>Total</b>	<b>\$40,613,538</b>

## 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	<b>TOTAL</b>	<b>\$40,613,538</b>

\*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:	<b>Large Family</b>
Self-Score Final:	<b>74.600%</b>
CTCAC Final:	<b>74.600%</b>

### 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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within 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
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**Please Note:** If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

**DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.**