

**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

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
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 &amp; 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
<b>Total</b>	<b>\$36,251,599</b>

## 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 <sup>1</sup>	\$4,410,000	County of San Diego <sup>1</sup>	\$4,900,000
County of San Diego: NPLH	\$1,143,180	County of San Diego: NPLH	\$1,270,200
RTCIP Impact Fee Waiver <sup>2</sup>	\$148,066	RTCIP Impact Fee Waiver <sup>2</sup>	\$148,066
Deferred Costs	\$2,530,138	Tax Credit Equity	\$17,601,533
Tax Credit Equity	\$2,416,255	<b>TOTAL</b>	<b>\$36,251,599</b>

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

<sup>1</sup>County of San Diego: HOME/CDBG/PLHA

<sup>2</sup>Regional 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:	<b>Seniors</b>
Self-Score Final:	<b>72.015%</b>
CTCAC Final:	<b>72.015%</b>

## 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.

<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 1/3 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
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

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

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