

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
 CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
 Project Staff Report  
 Qualified Private Activity Tax-Exempt Bond Project  
 August 6, 2024**

Terracina at Wildhawk, located south of Gerber Road and east of Bradshaw Road in Sacramento on a 6.92 acre site, requested and is being recommended for a reservation of \$3,131,912 in annual federal tax credits and \$34,000,000 of tax-exempt bond cap to finance the new construction of 145 units of housing, consisting of 144 restricted rental units, and 1 unrestricted manager's unit. The project will have 36 one-bedroom units, 73 two-bedroom units, and 36 three-bedroom units, serving families with rents affordable to households earning 30%-70% of area median income (AMI). The building will be six 3-story walk-up buildings with 24 total units each, all of which are Type V-A construction. Common amenities include a 5,436+ sf two-story clubhouse/recreation center near the project entry with a multi-purpose clubroom with lounge area that includes a large-screen television, training/learning space with resident computer stations, restrooms, laundry facilities, leasing office and manager's office. Each unit will have a full kitchen, living space, indoor storage energy efficient appliances and low flow plumbing faucets and fixtures. The construction is expected to begin in January 2025 and be completed in July 2026. The project will be developed by USA Multi-Family Development, Inc. and will be located in Senate District 8 and Assembly District 10.

**Project Number** CA-24-433

**Project Name** Terracina at Wildhawk  
 Site Address: South of Gerber Road and East of Bradshaw Road  
 Sacramento, CA 95829  
 County: Sacramento  
 Census Tract: 93.30

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$3,131,912	\$0
Recommended:	\$3,131,912	\$0

**Tax-Exempt Bond Allocation**  
 Recommended: \$34,000,000

**CTCAC Applicant Information**  
 CTCAC Applicant / CDLAC Sponsor: Sacramento 726, L.P.  
 Contact: Darren Bobrowsky  
 Address: 3200 Douglas Blvd., Suite 200  
 Roseville, CA 95661  
 Phone: 916865-3981  
 Email: dbobrowsky@usapropfund.com

**Bond Financing Information**  
 CDLAC Applicant/Bond Issuer: Housing Authority of County of Sacramento  
 Bond Counsel: Orrick, Herrington & Sutcliffe LLP  
 Private Placement Purchaser: Citi Community Capital

**Development Team**

General Partner(s) or Principal Owner(s): USA Sacramento 726, Inc.  
 Riverside Charitable Corporation

General Partner Type: Joint Venture

Parent Company(ies): USA Properties Fund, Inc.  
 Not Applicable

Developer: USA Multi-Family Development, Inc.

Investor/Consultant: WNC

Management Agent: USA Multifamily Management, Inc.

**Project Information**

Construction Type: New Construction

Total # Residential Buildings: 6

Total # of Units: 145

No. / % of Low Income Units: 144 100.00%

Average Targeted Affordability: 60.00%

Federal Set-Aside Elected: 40%/60% Average Income

**Information**

Housing Type: Large Family

Geographic Area: Capital Region

State Ceiling Pool: New Construction

CDLAC Project Analyst: Brandon Medina

CTCAC Project Analyst: Dianne Myers

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	15	10%
50% AMI:	30	21%
60% AMI:	24	17%
70% AMI*:	75	52%

\*CTCAC restricted only

**Unit Mix**

36 1-Bedroom Units
73 2-Bedroom Units
36 3-Bedroom Units
<hr/> 145 Total Units

<b>Unit Type &amp; Number</b>	<b>2023 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
4 1 Bedroom	30%	\$603
8 1 Bedroom	50%	\$1,005
5 1 Bedroom	60%	\$1,206
19 1 Bedroom	70%	\$1,407
8 2 Bedrooms	30%	\$723
16 2 Bedrooms	50%	\$1,206
19 2 Bedrooms	60%	\$1,447
29 2 Bedrooms	70%	\$1,688
3 3 Bedrooms	30%	\$836
6 3 Bedrooms	50%	\$1,393
27 3 Bedrooms	70%	\$1,951
1 2 Bedrooms	Manager's Unit	\$0

### **Project Cost Summary at Application**

Land and Acquisition	\$2,277,233
Construction Costs	\$41,510,765
Construction Hard Cost Contingency	\$2,029,409
Soft Cost Contingency	\$273,423
Architectural/Engineering	\$1,014,850
Const. Interest, Perm. Financing	\$4,611,507
Legal Fees	\$85,000
Reserves	\$554,351
Other Costs	\$7,309,882
Developer Fee	\$7,855,968
<b>Total</b>	<b>\$67,522,388</b>

### **Residential**

Construction Cost Per Square Foot:	\$353
Per Unit Cost:	\$465,672
Estimated Hard Per Unit Cost:	\$244,086
True Cash Per Unit Cost*:	\$422,714
Bond Allocation Per Unit:	\$234,483
Bond Allocation Per Restricted Rental Unit:	\$492,754

### **Construction Financing**

Source	Amount
Citi: Tax-Exempt	\$34,000,000
Citi: Taxable	\$5,200,000
SHRA <sup>1</sup>	\$8,280,000
Sacramento County: Waived Fees	\$1,226,995
Deferred Costs	\$8,469,359
Tax Credit Equity	\$6,016,316

### **Permanent Financing**

Source	Amount
Citi: Tax-Exempt	\$20,975,000
SHRA <sup>1</sup>	\$9,200,000
Sacramento County: Waived Fees	\$1,226,995
Net Operating Income	\$1,036,902
Deferred Developer Fee	\$5,001,909
Solar Tax Credit Equity	\$954,800
Tax Credit Equity	\$29,126,782
<b>TOTAL</b>	<b>\$67,522,388</b>

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

<sup>1</sup>Sacramento Housing Redevelopment Agency

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$60,229,092
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$78,297,820
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,131,912
Approved Developer Fee (in Project Cost & Eligible Basis):	\$7,855,968
Investor/Consultant:	WNC
Federal Tax Credit Factor:	\$0.93000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**CTCAC Significant Information / Additional Conditions:** None.

**CDLAC Analyst Comments**

None

**Standard Conditions**

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

**CDLAC Additional Conditions**

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

If points were awarded by CDLAC for housing type, the project shall comply with the housing type requirements at the time of CTCAC's Placed In Service review. The housing type requirement shall be conditioned in the CTCAC Regulatory Agreement and CTCAC Compliance staff shall verify the project is meeting those housing type requirements, consistent with California Code of Regulations, title 4, section 10322(i).

<b>Point Criteria</b>	<b>New Const. Max. Points</b>	<b>Rehabilitation Max. Points</b>	<b>Points Scored</b>
Preservation and Other Rehabilitation Project Priorities	0	20	0
New Construction Density and Local Incentives	10	0	10
Exceeding Minimum Income Restrictions	20	20	20
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	10
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
<b>Total Points</b>	120	110	120

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.

**Tie Breaker:** 75.269%