

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

El Dorado Senior Village Apartments I, located at 6464 Koki Lane, Unit A in El Dorado on a 3.57 acre site, requested and is being recommended for a reservation of \$1,924,725 in annual federal tax credits and \$8,158,746 in total state tax credits and \$21,924,368 of tax-exempt bond cap to finance the new construction of 72 units of housing, consisting of 71 restricted rental units, and 1 unrestricted manager's unit. The project will have 57 one-bedroom units, and 15 two-bedroom units, serving seniors with rents affordable to households earning 30%-50% of area median income (AMI). There will be five 2-story buildings, all of which will be Type VA construction. Common amenities include a community building that includes a large community room with a shared kitchen, small offices for supportive services, a laundry room, barbecue picnic areas, community gardens, bocce ball court and other recreation areas throughout the community. Each unit will have a refrigerator, range/oven, dishwasher, microwave, garbage disposal, and washer/dryer hook-ups. The construction is expected to begin in February 2025 and be completed in August 2026. The project will be developed by SNO Foundation and will be located in Senate District 1 and Assembly District 5.

The project financing includes state funding from the Multifamily Housing Program (MHP) of HCD.

Project Number CA-24-455

Project Name El Dorado Senior Village Apartments I
Site Address: 6464 Koki Lane, Unit A
El Dorado, CA 95623
County: El Dorado
Census Tract: 315.04

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,924,725	\$8,158,746
Recommended:	\$1,924,725	\$8,158,746

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

Tax-Exempt Bond Allocation
Recommended: \$21,924,368

CTCAC Applicant Information

CTCAC Applicant / CDLAC Sponsor: Pacific Southwest Community Development Corporation
Applicant for State Credits: Pacific Southwest Community Development Corporation
Contact: Sergei Oleshko
Address: 8863 Greenback Lane, Suite 324
Orangevale, CA 95662
Phone: (916) 949-8882
Email: sergei@snofoundation.org

Bond Financing Information

CDLAC Applicant/Bond Issuer: California Municipal Finance Authority
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, N.A.

Development Team

General Partner(s) or Principal Owner(s): PSCDC El Dorado One, LLC
 SNO Foundations
 Kingdom El Dorado I, LLC

General Partner Type: Nonprofit

Parent Company(ies): Pacific Southwest Community Development Corp
 Kingdom Development, Inc.

Developer: SNO Foundation

Investor/Consultant: CREA

Management Agent: Barker Management Inc.

Project Information

Construction Type: New Construction

Total # Residential Buildings: 4

Total # of Units: 72

No. / % of Low Income Units: 71 100.00%

Average Targeted Affordability: 40.00%

Federal Set-Aside Elected: 40%/60%

Federal Subsidy: Tax-Exempt

Information

Housing Type: Seniors

Geographic Area: Capital Region

State Ceiling Pool: Rural

CDLAC Project Analyst: Anthony Wey

CTCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	25	35%
40% AMI:	21	30%
50% AMI:	25	35%

Unit Mix

57 1-Bedroom Units

15 2-Bedroom Units

72 Total Units

Unit Type & Number	2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
18 1 Bedroom	30%	\$603
16 1 Bedroom	40%	\$804
2 1 Bedroom	30%	\$603
21 1 Bedroom	50%	\$1,005
5 2 Bedrooms	30%	\$724
5 2 Bedrooms	40%	\$965
4 2 Bedrooms	50%	\$1,206
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,520,000
Construction Costs	\$26,299,756
Construction Hard Cost Contingency	\$1,423,883
Soft Cost Contingency	\$373,324
Architectural/Engineering	\$700,000
Const. Interest, Perm. Financing	\$5,027,260
Legal Fees	\$630,479
Reserves	\$424,246
Other Costs	\$4,044,878
Developer Fee	\$5,341,511
Total	\$48,785,337

Residential

Construction Cost Per Square Foot:	\$507
Per Unit Cost:	\$677,574
Estimated Hard Per Unit Cost:	\$308,124
True Cash Per Unit Cost*:	\$612,410
Bond Allocation Per Unit:	\$304,505
Bond Allocation Per Restricted Rental Unit:	\$308,794

Construction Financing

<u>Source</u>	<u>Amount</u>
Citibank: Tax-Exempt	\$21,924,368
Citibank: Taxable	\$15,140,200
Waived Impact Fees	\$450,432
Deferred Cost	\$7,776,423
Tax Credit Equity	\$3,493,914

Permanent Financing

<u>Source</u>	<u>Amount</u>
Citibank: Tax-Exempt	\$604,857
HCD: MHP	\$20,195,872
Waived Impact Fees	\$450,432
Deferred Developer Fee	\$4,241,417
Tax Credit Equity	\$23,292,759
TOTAL	\$48,785,337

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$23,888,426
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$48,118,116
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,924,725
Total State Credit:	\$8,158,746
Approved Developer Fee (in Project Cost & Eligible Basis):	\$5,341,511
Investor/Consultant:	CREA
Federal Tax Credit Factor:	\$0.84991
State Tax Credit Factor:	\$0.84992

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

Staff noted a per unit development cost of \$612,410. The applicant noted that the per unit cost is attributed to the requirement of prevailing wage payments and construction supply chain issues.

CDLAC Analyst Comments

None

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

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

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

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

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

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

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

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

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

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

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

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

CDLAC Additional Conditions

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

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

Point Criteria	New Const. Max. Points	Rehabilitation Max. Points	Points Scored
Preservation and Other Rehabilitation Project Priorities	0	20	0
New Construction Density and Local Incentives	10	0	10
Exceeding Minimum Income Restrictions	20	20	20
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	9
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	119

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: 59.368%