

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

Sunrise at Bogart, located at 11049 Bogart Avenue in Riverside on a 0.76 acre site, requested and is being recommended for a reservation of \$778,169 in annual federal tax credits and \$8,245,486 of tax-exempt bond cap to finance the new construction of 23 units of housing, consisting of 22 restricted rental units and 1 unrestricted manager's unit. The project will have 22 one-bedroom units, and 1 two-bedroom unit, serving special needs tenants with rents affordable to households earning 30%-50% of area median income (AMI). The building will be one to two story new construction. Common amenities include large community building, laundry facilities, and on-site services specialist. Each unit will have a refrigerator, and range/oven. The construction is expected to begin in January 2025 and be completed in August 2026. The project will be developed by Many Mansions and will be located in Senate District 31 and Assembly District 58.

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) program of HCD.

Project Number CA-24-459

Project Name Sunrise at Bogart
Site Address: 11049 Bogart Avenue
Riverside, CA 92501
County: Riverside
Census Tract: 413.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$778,169	\$0
Recommended:	\$778,169	\$0

Tax-Exempt Bond Allocation
Recommended: \$8,245,486

CTCAC Applicant Information
CTCAC Applicant / CDLAC Sponsor: Sunrise at Bogart, LP
Contact: Jesse Ibarra
Address: 9551 Pittsburgh Avenue
Rancho Cucamonga, CA 91730
Phone: 909-988-5274
Email: jesse@nphsinc.org

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Walker & Dunlop

Development Team

General Partner(s) or Principal Owner(s): NPHS Sunrise at Bogart, LLC
 Sunrise at Bogart, LLC
 General Partner Type: Nonprofit
 Parent Company(ies): Neighborhood Partnership Housing Services, Inc.
 Many Mansions
 Developer: Many Mansions
 Investor/Consultant: California Housing Partnership
 Management Agent: Many Mansions

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 2
 Total # of Units: 23
 No. / % of Low Income Units: 22 100.00%
 Average Targeted Affordability: 29.98%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HOME / HUD Community Project Funding (CPF) / HUD
 Section 8 Project-based Vouchers (22 Units - 100%)

Information

Housing Type: Special Needs
 Geographic Area: Inland Empire Region
 State Ceiling Pool: New Construction
 Set Aside: Extremely Low/Very Low Income Set Aside
 Homeless Set Aside Units: 22
 CDLAC Project Analyst: Jake Salle
 CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	11	50%
50% AMI:	11	50%

Unit Mix

22 1-Bedroom Units
1 2-Bedroom Units
23 Total Units

Unit Type & Number	2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
11 1 Bedroom	30%	\$524
11 1 Bedroom	50%	\$524
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$500,649
Construction Costs	\$9,531,286
Construction Hard Cost Contingency	\$670,945
Soft Cost Contingency	\$110,978
Architectural/Engineering	\$593,651
Const. Interest, Perm. Financing	\$1,362,771
Legal Fees	\$150,000
Reserves	\$232,812
Other Costs	\$430,632
Developer Fee	\$2,494,132
Total	\$16,077,856

Residential

Construction Cost Per Square Foot:	\$442
Per Unit Cost:	\$699,037
Estimated Hard Per Unit Cost:	\$356,685
True Cash Per Unit Cost*:	\$686,429
Bond Allocation Per Unit:	\$358,499
Bond Allocation Per Restricted Rental Unit:	\$374,795

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Walker & Dunlop: Tax-Exempt	\$8,245,486	County of Riverside: HOME-ARP ¹	\$1,800,000
County of Riverside: HOME-ARP ¹	\$1,800,000	City of Riverside: HOME	\$1,119,437
HOME: Accrued Deferred Interest	\$71,035	HOME: Accrued Deferred Interest	\$71,035
Lessor Carryback Note	\$290,000	HCD: NPLH	\$1,148,527
Deferred Costs	\$1,191,859	Riverside County: HHAP ²	\$2,018,434
General Partner Loan: HUD CPF	\$3,000,000	Lessor Carryback Note	\$290,000
General Partner Equity	\$100	General Partner Loan: HUD CPF	\$3,000,000
Tax Credit Equity	\$1,479,376	General Partner Equity	\$100
		Tax Credit Equity	\$6,630,323
		TOTAL	\$16,077,856

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

¹HOME American Rescue Plan

²Riverside County Homeless Housing, Assistance and Prevention

Determination of Credit Amount(s)

Requested Eligible Basis:	\$14,964,794
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$19,454,232
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$778,169
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,494,132
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.85204

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 \$686,429. The applicant noted that the per unit cost is attributed to escalating costs of construction materials, as well as increases in labor costs, including prevailing wages.

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: 84.696%