

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

Citrus Flats, located at 18004 East Telegraph Road in Santa Paula on a 5.45 acre site, requested and is being recommended for a reservation of \$3,666,667 in annual federal tax credits and \$39,050,000 of tax-exempt bond cap to finance the new construction of 166 units of housing, consisting of 164 restricted rental units and 2 unrestricted manager's units. The project will have 60 one-bedroom units, 32 two-bedroom units, 56 three-bedroom units, and 18 four-bedroom units, serving families with rents affordable to households earning 30%-70% of area median income (AMI). The buildings will be eight 3-story walk buildings. Building A will have 22 units, Buildings C, E, and F, G, and H will have 24 units each, and Buildings B and D will have 12 units each. The building type will adhere to Type V-A construction standards with wood frame and an exterior finish system complying with the California building code chapters 14 and 25 and will not have any elevator access. Common amenities include a clubhouse with community center, dog park, outdoor playground area for children, outdoor fitness area for teenagers, 223 parking spaces as well as various social services programs offered by an experienced social service provider. Each unit will have a balcony, blinds, carpeting, ceiling fan, central/AC, coat closet, dishwasher, disposal, microwave, oven, refrigerator, LVP flooring, walk-in-closet and washer/dryer. The construction is expected to begin in November 2024 and be completed in November 2026. The project will be developed by Telegraph Partners GP, LLC and will be located in Senate District 19 and Assembly District 38.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-24-472

**Project Name** Citrus Flats  
Site Address: 18004 East Telegraph Road  
Santa Paula, CA 93060

County: Ventura  
Census Tract: 4.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$3,666,667	\$0
Recommended:	\$3,666,667	\$0

**Tax-Exempt Bond Allocation**  
Recommended: \$39,050,000

**CTCAC Applicant Information**  
CTCAC Applicant/CDLAC Sponsor: FLT Telegraph Partners, L.P.  
Contact: Ron Wu  
Address: 2082 Michelson Drive, 4th Floor  
Irvine, CA 92612  
Phone: (415) 757-8639  
Email: rwu@rtacq.com

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

## Development Team

General Partner(s) or Principal Owner(s): AHA Santa Paula MGP, LLC  
Telegraph Partners GP, LLC

General Partner Type: Joint Venture

Parent Company(ies): Affordable Housing Access, Inc.  
FLT Equity, LLC

Developer: Telegraph Partners GP, LLC

Investor/Consultant: R4 Capital

Management Agent: VPM Management, Inc.

Construction Type: New Construction

Total # Residential Buildings: 8

Total # of Units: 166

No. / % of Low Income Units: 164 100.00%

Average Targeted Affordability: 59.03%

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

Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (8 Units - 5%)

## Information

Housing Type: Large Family

Geographic Area: Central Coast Region

State Ceiling Pool: New Construction

CDLAC Project Analyst: Brandon Medina

CTCAC Project Analyst: Nicholas White

## 55-Year Use / Affordability

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	18	11%
40% AMI:	18	11%
50% AMI:	18	11%
60% AMI:	18	11%
70% AMI*:	92	56%

\*CTCAC restricted only

## Unit Mix

60 1-Bedroom Units

32 2-Bedroom Units

56 3-Bedroom Units

18 4-Bedroom Units

---

166 Total Units

<b>Unit Type &amp; Number</b>	<b>2023 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
6 1 Bedroom	30%	\$747
6 1 Bedroom	40%	\$996
6 1 Bedroom	50%	\$1,245
6 1 Bedroom	60%	\$1,494
36 1 Bedroom	70%	\$1,743
4 2 Bedrooms	30%	\$897
4 2 Bedrooms	40%	\$1,196
4 2 Bedrooms	50%	\$1,495
4 2 Bedrooms	60%	\$1,794
15 2 Bedrooms	70%	\$2,093
6 3 Bedrooms	30%	\$1,036
6 3 Bedrooms	40%	\$1,381
6 3 Bedrooms	50%	\$1,726
6 3 Bedrooms	60%	\$2,072
31 3 Bedrooms	70%	\$2,417
2 4 Bedrooms	30%	\$1,155
2 4 Bedrooms	40%	\$1,541
2 4 Bedrooms	50%	\$1,926
2 4 Bedrooms	60%	\$2,311
10 4 Bedrooms	70%	\$2,696
1 2 Bedrooms	Manager's Unit	\$0
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,600,000
Construction Costs	\$46,181,183
Construction Hard Cost Contingency	\$2,263,784
Soft Cost Contingency	\$100,000
Architectural/Engineering	\$1,100,000
Const. Interest, Perm. Financing	\$4,680,636
Legal Fees	\$202,500
Reserves	\$2,668,231
Other Costs	\$9,940,209
Developer Fee	\$9,221,718
<b>Total</b>	<b>\$79,958,261</b>

## Residential

Construction Cost Per Square Foot:	\$286
Per Unit Cost:	\$481,676
Estimated Hard Per Unit Cost:	\$239,250
True Cash Per Unit Cost*:	\$426,855
Bond Allocation Per Unit:	\$235,241
Bond Allocation Per Restricted Rental Unit:	\$542,361

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank, N.A.: Tax-Exempt	\$39,050,000	Citibank, N.A.: Tax-Exempt	\$28,300,000
Recycled Tax-Exempt	\$6,750,000	IHF <sup>1</sup>	\$5,500,000
Seller Carryback	\$1,280,000	Seller Carryback	\$1,280,000
Deferred Impact Fees	\$5,157,949	Deferred Impact Fees	\$5,157,949
Deferred Costs	\$24,524,312	Deferred Developer Fee	\$7,820,312
Tax Credit Equity	\$3,196,000	Tax Credit Equity	\$31,900,000
		<b>TOTAL</b>	<b>\$79,958,261</b>

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

<sup>1</sup>Inclusionary Housing Funds

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$70,699,840
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$91,909,792
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,666,667
Approved Developer Fee (in Project Cost & Eligible Basis):	\$9,221,718
Investor/Consultant:	R4 Capital
Federal Tax Credit Factor:	\$0.87000

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

The current legal description is part of a larger site and the project site's parcel. The new legal description and APN have not yet been finalized. The legal description and APN for CA-24-472 must be completed as part of the Placed In Service Package.

### 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).

<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	9
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	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:** 126.693%