

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

Pacific Street Apartments Four, located at Pacific Street and Pine Street in Rocklin on a 0.42 acre site, requested and is being recommended for a reservation of \$1,031,819 in annual federal tax credits and \$10,693,101 of tax-exempt bond cap to finance the new construction of 50 units of housing, consisting of 50 restricted rental units. The project will have 26 one-bedroom units, 14 two-bedroom units, and 10 three-bedroom units, serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The building will be 3 stories. Common amenities include a community room with 2,384 square feet playground, laundry room, and surface parking. Each unit will have central heat/cool, blinds, ceiling fan, coat closet, stove/oven, dishwasher, and disposal. The construction is expected to begin in February 2025 and be completed in August 2026. The project will be developed by Community HousingWorks and will be located in Senate District 6 and Assembly District 5.

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

**Project Number** CA-24-553

**Project Name** Pacific Street Apartments Four  
 Site Address: Pacific Street and Pine Street  
 Rocklin, CA 95677

County: Placer  
 Census Tract: 211.03

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,031,819	\$0
Recommended:	\$1,031,819	\$0

**Tax-Exempt Bond Allocation**  
 Recommended: \$10,693,101

**CTCAC Applicant Information**

CTCAC Applicant / CDLAC Sponsor: Pacific Street Housing Associates Four, LP  
 Contact: Simon Fraser  
 Address: 3111 Camino Del Rio North, Suite 800  
 San Diego, CA 92108

Phone: 619-450-8716  
 Email: sfraser@chworks.org

**Bond Financing Information**

CDLAC Applicant/Bond Issuer: California Municipal Finance Authority  
 Bond Counsel: Jones Hall, A Professional Law Corporation  
 Private Placement Purchaser: Banner Bank

**Development Team**

General Partner(s) or Principal Owner(s): CHW Pacific Street Four LLC  
 General Partner Type: Nonprofit  
 Parent Company(ies): Community Housing Works  
 Developer: Community HousingWorks  
 Investor/Consultant: California Housing Partnership  
 Management Agent: ConAm Management Corporation

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 3  
 Total # of Units: 50  
 No. / % of Low Income Units: 50 100.00%  
 Average Targeted Affordability: 49.00%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (8 Units - 16%)

**Information**

Housing Type: Non-Targeted  
 Geographic Area: Capital Region  
 State Ceiling Pool: New Construction  
 CDLAC Project Analyst: Danielle Stevenson  
 CTCAC Project Analyst: Brett Andersen

**55-Year Use / Affordability**

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	14	28%
50% AMI:	13	26%
60% AMI:	23	46%

**Unit Mix**

26 1-Bedroom Units  
 14 2-Bedroom Units  
 10 3-Bedroom Units  


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 50 Total Units

Unit Type & Number	2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
6 1 Bedroom	30%	\$603
2 2 Bedrooms	30%	\$723
6 3 Bedrooms	30%	\$836
7 1 Bedroom	50%	\$1,005
4 2 Bedrooms	50%	\$1,206
2 3 Bedrooms	50%	\$1,393
13 1 Bedroom	60%	\$1,206
8 2 Bedrooms	60%	\$1,447
2 3 Bedrooms	60%	\$1,672

**Project Cost Summary at Application**

Land and Acquisition	\$1,050,310
Construction Costs	\$11,691,391
Construction Hard Cost Contingency	\$592,400
Soft Cost Contingency	\$471,936
Architectural/Engineering	\$850,327
Const. Interest, Perm. Financing	\$1,789,780
Legal Fees	\$114,136
Reserves	\$222,359
Other Costs	\$2,641,611
Developer Fee	\$2,588,175
<b>Total</b>	<b>\$22,012,425</b>

**Residential**

Construction Cost Per Square Foot:	\$320
Per Unit Cost:	\$440,249
Estimated Hard Per Unit Cost:	\$205,835
True Cash Per Unit Cost*:	\$420,646
Bond Allocation Per Unit:	\$213,862
Bond Allocation Per Restricted Rental Unit:	\$213,862

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Source	Amount	Source	Amount
Banner Bank: Tax-Exempt	\$10,693,101	Banner Bank: Taxable	\$5,176,000
Banner Bank: Recycled Tax-Exempt	\$3,000,000	Banner Bank: Recycled Tax-Exempt	\$3,000,000
City of Rocklin	\$2,600,000	City of Rocklin	\$2,600,000
City of Rocklin: Ground Lease	\$631,916	City of Rocklin: Gound Lease	\$631,916
Deferred Costs	\$1,343,809	Deferred Developer Fee	\$980,109
Deferred Developer Fee	\$980,109	Tax Credit Equity	\$9,624,400
Tax Credit Equity	\$2,763,490	<b>TOTAL</b>	<b>\$22,012,425</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$19,842,673
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$25,795,475
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,031,819
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,588,175
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.93276

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 applicant requested the use of the CUAC utility allowance for 42 of the 50 units in this project. The remaining 8 units with project-based vouchers will utilize the County of Placer Housing Authority's Utility Allowance Schedule. CTCAC staff will review the CUAC documentation for this existing 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 requested and has been granted a waiver to not include an onsite manager's unit for this project. This 4% LIHTC project is a portion of a larger hybrid project. The 9% LIHTC portion will be submitted in the second 2024 9% tax credit round. The 9% portion of this hybrid project will include an additional 60 units, which will include the on-site manager's unit. Both the 4% and 9% portion of this hybrid project will be managed by an on-site property manager located at the 9% LIHTC property. Prior to the start of construction, all necessary agreements shall be in place to ensure that the 9% LIHTC project has sufficient property management and access to the required community spaces for both sites. Any Joint Use Agreement shall be provided in the placed in service submission. This waiver is contingent on the 9% portion being awarded 9% tax credits in the second 9% tax credit round of 2024.

### **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:** 104.100%