



California Tax Credit Allocation Committee

CTCAC Committee Meeting
Wednesday, October 2, 2024
9:30 A.M. or Upon
Adjournment of the CDLAC
Meeting



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

901 P Street, Suite 213A
Sacramento, CA 95814
p (916) 654-6340
f (916) 654-6033
www.treasurer.ca.gov/ctcac

MEETING NOTICE AGENDA

MEETING DATE:
October 2, 2024

TIME:
**9:30 a.m. or upon Adjournment of the
California Debt Limit Allocation Committee Meeting**

LOCATION:
901 P Street, Room 102
Sacramento, CA 95814

BOARD MEMBERS (VOTING)

FIONA MA, CPA, CHAIR
State Treasurer

MALIA M. COHEN
State Controller

JOE STEPHENSHAW
Director of Finance

GUSTAVO VELASQUEZ
Director of HCD

TIENA JOHNSON HALL
Executive Director of CalHFA

DIRECTOR

MARINA WIAN
Executive Director

Members of the public are invited to participate in person, remotely via TEAMS, or by telephone.*

[Click here to Join TEAMS Meeting \(full link below\)](#)

**Public Participation Call-In Number
(888) 557-8511
Participant Code:
5651115**

The California Tax Credit Allocation Committee (CTCAC) may take action on any item.
Items may be taken out of order.

There will be an opportunity for public comment at the end of each item, prior to any action.

- 1. Call to Order and Roll Call**
- Action Item:* **2. Approval of the Minutes of the August 6, 2024, Meeting**
- Informational:* **3. Executive Director's Report**
Presented by: Marina Wiant
- Action Item:* **4. Discussion and consideration of appeals filed under California Code of Regulations, title 4, section 10330 for reservations of 2024 second round federal nine percent (9%) low-income housing tax credits (LIHTC) and the impact of any granted appeals on the proposed recommended reservations in Item 5. See Exhibit A for project list, subject to change.**
Presented by: Anthony Zeto

Action Item: 5. **Recommendation for reservation of 2024 second round federal 9% and state LIHTCs, subject to change if appeals are granted under Item 4. (Health & Saf. Code, §§ 50199.10, 50199.14; Cal. Code Regs., tit. 4, § 10310.)**
<https://www.treasurer.ca.gov/ctcac/2024/secondround/9percent/applications/Prelim.pdf>
Presented by: Carmen Doonan

Action Item: 6. **Resolution 24/25-01 to establish a waiting list of pending applications pursuant to California Code of Regulations, title 4, section 10325, subdivision (h) for a reservation of 2024 second round federal 9% and state LIHTCs and delegating authority to the Executive Director to approve reservations for projects on the Waiting List, provided that credit remains available and those applications are complete, eligible and financially feasible**
https://www.treasurer.ca.gov/ctcac/2024/secondround/9percent/applications/prelim_waiting_list.pdf
Presented by: Anthony Zeto

7. **Public Comment**

8. **Adjournment**

FOR ADDITIONAL INFORMATION

CTCAC

901 P Street, Suite 213A, Sacramento, CA 95814
(916) 654-6340

This notice may also be found on the following Internet site:

www.treasurer.ca.gov/ctcac

*Interested members of the public may use the call-in number or TEAMS to listen to and/or comment on items before CTCAC. Additional instructions will be provided to participants once they call the indicated number or join via TEAMS. The call-in number and TEAMS information are provided as an option for public participation.

CTCAC complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities, and providing this notice and information given to the members of CTCAC in appropriate alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, please contact CTCAC staff no later than five calendar days before the meeting at (916) 654-6340. From a California Relay (telephone) Service for the Deaf or Hearing Impaired TDD Device, please call (800) 735-2929 or from a voice phone, (800) 735-2922.

Full TEAMS Link

https://teams.microsoft.com/l/meetup-join/19%3ameeting_NmYzNzNhYjltZTJiNC00NjIhLWEzYjAtMjQ2YzlxYmVINWRI%40thread.v2/0?content=%7b%22id%22%3a%223bee5c8a-6cb4-4c10-a77b-cd2eaeb7534e%22%2c%22oid%22%3a%22838e980b-c8bc-472b-bce3-9ef042b5569b%22%7d

Exhibit A

Appeals filed under Agenda Item 4

1. Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of Pacific Street Apartments Nine (CA-24-169) affecting the 2024 Second Round Application for Reservation of Federal Nine Percent (9%) Low Income Housing Tax Credits (LIHTCs) in the **Capital Region**.
 - If the appeal for Pacific Street Apartments Nine (CA-24-169) is granted, Pacific Street Apartments Nine (CA-24-169) will be recommended for a Reservation of Federal 9% LIHTCs and Central Sacramento Studios II (CA-24-116) will not be recommended for a Reservation of Federal 9% LIHTCs in the **Capital Region**. In addition, The Linwood Rose (CA-24-155) will be recommended for a Reservation of Federal 9% LIHTCs and Arc Village Apartments (CA-24-132) will not be recommended for a Reservation of Federal 9% LIHTCs in the **Inland Empire Region**.

***At the time of this publication, the complete list of applicants who may file appeals for consideration by the California Tax Credit Allocation Committee (CTCAC) is unknown. All known, potential appeals are listed above and subject to change.**



California Tax Credit Allocation Committee

AGENDA ITEM 2

Approval of the Minutes of the August 6, 2024, Meeting



California Tax Credit Allocation Committee

901 P Street, Room 102
Sacramento, CA 95814

August 6, 2024

CTCAC Committee Meeting Minutes

1. *Agenda Item: Call to Order and Roll Call*

The California Tax Credit Allocation Committee (CTCAC) meeting was called to order at 2:44 p.m. with the following Committee members present:

Voting Members: Fiona Ma, CPA, California State Treasurer, Chairperson
Evan Johnson for California State Controller Malia M. Cohen
Michele Perrault for Department of Finance (DOF) Director Joe Stephenshaw
Department of Housing and Community Development (HCD) Director Gustavo Velasquez
Tiena Johnson Hall, Executive Director for the California Housing Finance Agency (CalHFA)

Advisory Members: County Representative Michelle Whitman
City Representative Brian Tabatabai

2. *Agenda Item: Approval of the Minutes of the May 15, 2024, Meeting – (Action Item)*

Chairperson Ma called for public comments:
None.

MOTION: Mr. Velasquez motioned to approve the minutes of the May 15, 2024, meeting, and Ms. Johnson Hall seconded the motion.

The motion passed unanimously via roll call vote.

3. *Agenda Item: Executive Director's Report* *Presented by: Marina Wiant*

Marina Wiant, Executive Director, welcomed six new staff members and said CTCAC is now almost fully staffed. Joe Boniwell has joined the Executive team as attorney for CTCAC and CDLAC; Sabrina Yang and Andrew Yu have joined the Development team; and Shavnil Chand, Navdip Dosanjh, and Darrell Jefferson have joined the Compliance team.

Ms. Wiant welcomed Michelle Whitman as the new County Representative for CTCAC. Ms. Whitman is newly appointed by the California State Senate President pro Tempore. Ms. Wiant invited Ms. Whitman to introduce herself.

Ms. Whitman said she is the Executive Director of the Sonoma County Community Development Commission, which is also the home of the county's housing authority and the home turf for the California State Senate President pro Tempore. She expressed that it is an honor to serve on the Committee and she

CTCAC Committee Meeting
August 6, 2024



California Tax Credit Allocation Committee

has been a stakeholder and spectator of the Committee's work. She sees the impact of the Committee's decisions on the ground in Sonoma County every day; the county benefitted from a windfall of disaster tax credits in addition to the regular competitive process, and new affordable housing is being developed as a result. She is looking forward to this experience.

Chairperson Ma called for public comments:
None.

4. ***Agenda Item: Recommendation for Reservation of 2024 First Round Federal Four Percent (4%) and State LIHTCs (Cal. Code Regs., tit. 4, div. 17, ch.1, §§ 10310, 10317, 10326) – (Action Item)***
Presented by: Carmen Doonan

Ms. Doonan said staff is recommending 61 projects for Committee approval for reservation of 4% federal and state tax credits. Each project has been reviewed for feasibility and meets all federal and state regulations.

Chairperson Ma called for public comments:
None.

MOTION: Ms. Perrault motioned to approve staff's recommendation, and Ms. Johnson Hall seconded the motion.

The motion passed unanimously via roll call vote.

5. ***Agenda Item: Approval of the State Historic Tax Credit Joint Application Form as Part of the Regular Rulemaking for the State Historic Rehabilitation Tax Credit (Rev. & Tax. Code, §§ 17053.91 and 23691; proposed Cal. Code Regs., tit. 4, §§ 11010-11013) – (Action Item)***
Presented by: Anthony Zeto

Mr. Zeto explained that last year the Committee approved a resolution for the regulations for the State Historic Rehabilitation Tax Credits (SHRTCs) to proceed with the Office of Administrative Law (OAL) process. Since then, staff has been working with the Office of Historic Preservation (OHP) to develop an application and instructions. OHP has recommended that staff bring the application and instructions to the Committee for approval.

Mr. Johnson said he appreciates the staff's work on this because it is not always easy to work with another entity in a regulatory development environment.

Chairperson Ma called for public comments:

William Wilcox from the San Francisco Mayor's Office of Housing and Community Development (MOCD) asked when staff expects the application to be available. Because it will be an over-the-counter process and MOHCD has been waiting for years to access these credits for some projects, they are trying to plan their projects for the upcoming rounds and determine how to leverage these credits with other resources.

Mr. Zeto said staff is hoping the application will be available this fall for next year. OHP is finalizing its regulations, but there were some delays in that process. The credits will be available over the counter, so they will probably go quickly.



California Tax Credit Allocation Committee

Chairperson Ma closed public comments.

MOTION: Ms. Perrault motioned to approve the SHRTC Joint Application Form, and Mr. Velasquez seconded the motion.

The motion passed unanimously via roll call vote.

6. *Agenda Item:* **Public Comment**

There was no public comment.

7. *Agenda Item:* **Adjournment**

The meeting was adjourned at 2:54 p.m.

DRAFT



California Tax Credit Allocation Committee

AGENDA ITEM 3

Executive Director's Report (Section left blank)



AGENDA ITEM 4

Discussion and consideration of appeals filed under California Code of Regulations, title 4, section 10330 for reservations of 2024 second round federal nine percent (9%) low-income housing tax credits (LIHTC) and the impact of any granted appeals on the proposed recommended reservations in Item 5. See Exhibit A for project list, subject to change.



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August 9, 2024

Maggie Stanko
Community HousingWorks
3111 Camino Del Rio North, Suite 800
San Diego, CA 92108

E-mail: mstanko@chworks.org
kleichner@chworks.org

RE: CA-24-169 / Pacific Street Apartments Nine

Dear Maggie Stanko,

California Tax Credit Allocation Committee (CTCAC) staff has determined the project as presented in the application does not meet the application requirements as outlined in CTCAC Regulations Section 10325(f)(8). The Financing Plan in tab 2 states "The Applicant plans to apply for FHLB-AHP funds in the amount shown above [\$1,200,000] for this development." As per CTCAC Regulation Section 10325(f)(8), "applicants shall provide evidence that all deferred-payment financing, residual receipts payment financing, grants and subsidies shown in the application are 'committed' at the time of application." The application has not demonstrated that this deferred payment financing is committed at the time of application.

Based on this determination, this project has been disqualified and no further review of the project will be performed, nor will it be considered for tax credits in this cycle. The review of the application may have determined other application deficiencies not included. If you would like to formally appeal staff's determination, you must do so in writing, and it must be received by CTCAC no later than August 14, 2024. Your appeal must be addressed via email to **Anthony Zeto**, Deputy Director, at anthony.zeto@treasurer.ca.gov. Your appeal should specifically identify the grounds for the appeal based on the existing documentation submitted in your originally filed application. No fee is required for this appeal.

Sincerely,

A handwritten signature in blue ink that reads "Gullikson".

Sarah Gullikson
Development Program Manager

MEMBERS

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State Treasurer

MALIA M. COHEN
State Controller

JOE STEPHENSHAW
Director of Finance

GUSTAVO VELASQUEZ
Director of HCD

TIENA JOHNSON HALL
Executive Director of CalHFA

EXECUTIVE DIRECTOR
Marina Wiant



August 14, 2024

Via Email

anthony.zeto@treasurer.ca.gov

Anthony Zeto
Deputy Director
California Tax Credit Allocation Committee
901 P Street Suite 213A
Sacramento, CA 95814

Re: CA-24-169/ Pacific Street Apartments Nine

Dear Anthony Zeto:

We received a letter dated August 9, 2024, informing us that Pacific Street Apartments Nine's California Tax Credit Allocation Committee (CTCAC) application has been disqualified. We are writing to appeal this determination.

CTCAC Determination

The determination letter states that CTCAC staff "determined the project as presented in the application does not meet the application requirements as outlined in CTCAC Regulations Section 10325(f)(8). The Financing Plan in tab 2 states "The Applicant plans to apply for FHLB-AHP funds in the amount shown above [\$1,200,000] for this development." As per CTCAC Regulation Section 10325(f)(8), "applicants shall provide evidence that all deferred-payment financing, residual receipts payment financing, grants and subsidies shown in the application are 'committed' at the time of application." The application has not demonstrated that this deferred payment financing is committed at the time of application."

Project Background

The subject application, Pacific Street Apartments Nine, is the 9% tax credit component of a hybrid project. Pacific Street Apartments Four (CA-24-553) is the 4% tax credit component and received tax credit and tax-exempt bond allocations on August 6, 2024.

This project represents a collaboration between the City of Rocklin, Placer County, and Community HousingWorks to bring new affordable housing for individuals and families to the City of Rocklin, on what is now a vacant/underutilized urban infill site. Upon completion, this will be the first affordable housing project in the City of Rocklin. It is a Large Family project in a High Resource area (a high priority with the state) and makes use of a hybrid structure that maximizes the state's limited resources. Combined, this hybrid project will provide 110 units of

much-needed affordable housing to the City. With 16 project-based vouchers committed and all units restricted between 30% to 60% AMI, this hybrid project will serve the area's most vulnerable residents. If it is unable to compete in this 9% round, however, the project will not move forward at all, due to an expiring Affordable Housing Agreement.

Appeal

CTCAC Regulations Section 10325(f) related to funding commitments required at application is unclear and contains conflicting requirements, which resulted in our confusion in the hybrid application submission for Pacific Street Apartments Nine.

Under CTCAC Regulations 10325(f), paragraph 8 requires that the project has all deferred payment financing committed at time of application. Under this same Section 10325(f), however, paragraph (3) states *"Applicants shall provide evidence of enforceable financing commitments for at least fifty percent (50%) of the acquisition and construction financing, or at least fifty percent (50%) of the permanent financing, of the proposed project's estimated total acquisition and construction or total permanent financing requirements."* For our previously awarded 4% project, Pacific Street Apartments Four, we relied on 10325(f)(3) in determining that we only needed 50% of permanent financing committed at application for threshold. For our 9% application submission, Pacific Street Apartments Nine, we believed that the same requirement in 10325(f)(3) applied to our 9% application as part of a hybrid project. We believed that our 9% application met this requirement by providing funding commitments for 100% of the "acquisition or construction financing" and providing commitments for more than 50% of the permanent financing.

We respectfully request that CTCAC consider that these conflicting provisions within CTCAC Regulations Section 10325(f), contributed to our confusion and ultimately led to our interpretation that we did not need all our deferred payment financing commitments at the time of the 9% application submission. To prevent similar confusion for hybrid applicants in the future, we recommend that CTCAC consider revising the Regulations to clarify that 10325(f)3 applies to the 4% hybrid application and 10325(f)8 applies to the 9% hybrid application.

Alternatively, under CTCAC Regulations 10327(a), we are requesting that CTCAC consider the uncommitted \$1,200,000 AHP funds as an initial application error "resulting in a shortage of sources up to the higher of \$100,000 or 50% of the contingency line item shall be deemed covered by the contingency line item." The 9% portion of this hybrid project has a total of \$1,489,929 hard and soft cost contingencies. The 4% portion of this hybrid project has a total of \$1,064,336 hard and soft cost contingencies. As a combined hybrid project, the overall soft and hard cost contingency totals \$2,554,265. The \$1,200,000 sources shortage is approximately 46.98% of this combined contingency. These two portions of the hybrid project are inseparable and should be considered jointly.

We urgently request CTCAC staff reverse this disqualification as a disqualification will effectively terminate these 110 units of vitally needed large family housing units from ever coming to fruition. This is a critical juncture due to an expiring Affordable Housing Agreement, making this 9% application cycle our last chance to proceed. The Pacific Street Apartments Four has secured 4% credits and tax-exempt bonds and is set to close financing and commence construction by April 2025. Reversing the disqualification would preserve the successful deployment of the 4% allocation and ensure the successful continuation of the entire hybrid project, thereby safeguarding this vital affordable housing initiative in Rocklin.

We appreciate your reconsideration of the decision to disqualify the Pacific Street Apartments Nine project. If you have any questions or need any additional information, please contact me at 619-858-9031 or at aslaby@chworks.org.

Sincerely,



Anna Slaby
Vice President of Housing & Real Estate Development



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Director of HCD

TIENA JOHNSON HALL
Executive Director of CalHFA

EXECUTIVE DIRECTOR
MARINA WIANIT

August 16, 2024

Maggie Stanko
Community HousingWorks
3111 Camino Del Rio North, Suite 800
San Diego, CA 92108

E-mail: mstanko@chworks.org
kleichner@chworks.org

RE: CA-24-169 / Pacific Street Apartments Nine

Dear Maggie Stanko:

This letter is in response to the appeal letters received on August 14, 2024 of the California Tax Credit Allocation Committee ("CTCAC") point score reduction, final tie breaker score reduction and disqualification of the application for the above referenced project. The Service Amenities point category was reduced by two (2) points because the commitment to provide services states that 60 hours of class instruction per year of adult education, health, and skill building classes will be provided whereas the application requested points for the 84 hour option. The final tie breaker score was reduced from 78.507% to 68.413% for the Affordable Housing Agreement from the City of Rocklin because staff could not determine the sum of up-front lease pre-payments and all mandatory lease payments in excess of \$100 per year over the term of the lease, exclusive of residual receipt payments to be excluded. The application was disqualified because the financing plan referenced applying for FHLB-AHP funds, which is not committed at the time of application.

Service Amenities

The appeal letter pointed to multiple areas of the application stating that it was the intent to provide 84 hours of service annually. You explained that due to clerical error the hours were transposed in several locations and you provided and updated commitment letter to reflect the correct hours of services.

Following review of the appeal letter, the application, and CTCAC regulations, I find that other areas of the application indicate the transposition as a clerical error and together with

the service provider confirmation in the form of an updated June 10, 2024 letter, I hereby grant the appeal.

Final Tie Breaker

The appeal letter pointed to the executed Affordable Housing Agreement in the application that contains and unexecuted Ground Lease that will be executed at construction loan closing. You explained that Paragraph 5.1a (page 17) of the Ground Lease has a Base Rent set at \$1.00 annually. Additionally, the appeal letter included a support letter from the City of Rocklin dated prior to the application filing deadline confirming the commitment and the \$1 annual lease payment.

Following review of the appeal letter, the application, and CTCAC regulations, I find the \$1.00 annual lease payment is confirmed based on documentation provided in the application. As a result, the appeal is granted.

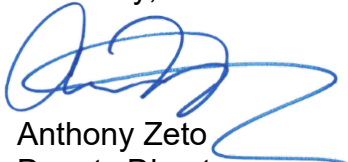
Disqualification

The appeal letter pointed to CTCAC Regulations Section 10325(f) and stated there were conflicting provisions within that section. Alternatively, you request the \$1,200,000 in uncommitted FHLB-AHP funds be considered and application error under CTCAC Regulations Section 10325(a). The appeal letter requested that the contingency line items for both the 9% portion and the 4% portion be considered when determining the higher of \$100,000 or 50% of the contingency line item.

Following review of the appeal letter, the application, and CTCAC regulations, I concur with staff's determination for the reasons previously stated. I find that the uncommitted FHLB-AHP specifically does not meet the requirements of CTCAC Regulations Section 10325(f)(8). I do not find any conflicting provisions in the sections you referenced. With regard to the request to consider CTCAC Regulations Section 10325(a) to address the shortage of sources, I find that the contingency line item is specific to the 9% portion and not combined with the 4% portion. As a result, the appeal is not granted.

Please see the revised point letter. If you wish to appeal this decision, you may email your appeal in writing to Executive Director Marina Wiant at marina.wiant@treasurer.ca.gov and cc me at azeto@treasurer.ca.gov. Your appeal must be received by CTCAC no later than August 21, 2024. Please feel free to contact me at azeto@treasurer.ca.gov should you have any questions or concerns.

Sincerely,



Anthony Zeto
Deputy Director

Enclosure



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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TIENA JOHNSON HALL
Executive Director of CalHFA

REVISED

August 16, 2024

EXECUTIVE DIRECTOR
Marina Wiant

Maggie Stanko
Community HousingWorks
3111 Camino Del Rio North, Suite 800
San Diego, CA 92108

E-mail: mstanko@chworks.org
kleichner@chworks.org

RE: CA-24-169 / Pacific Street Apartments Nine

Dear Maggie Stanko,

Following your submission for the California Tax Credit Allocation Committee (CTCAC) second 2024 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comments. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

Table with 3 columns: Category, Points Requested, Points Awarded. Rows include General Partner Experience, Management Experience, Housing Needs, Site Amenities, Service Amenities, Lowest Income, Readiness to Proceed, Miscellaneous Federal and State Policies, and a TOTAL row.

CTCAC has calculated your Final Tie Breaker score and the revised score is **78.507%**.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects' scoring letters since individual letters will be sent later as the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact **Cynthia Compton** after the final awards have been made.

We appreciate your interest in the Low-Income Housing Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,

A handwritten signature in blue ink that reads "Gullikson". The signature is written in a cursive style with a large, looped 'G' and a small mark above the 'i'.

Sarah Gullikson
Development Program Manager



August 21, 2024

Via Email

marina.wiant@treasurer.ca.gov

Marina Wiant
Executive Director
California Tax Credit Allocation Committee
901 P Street Suite 213A
Sacramento, CA 95814

Re: CA-24-169/ Pacific Street Apartments Nine

Dear Ms. Wiant:

We received a letter dated August 9, 2024, informing us that Pacific Street Apartments Nine's California Tax Credit Allocation Committee (CTCAC) application has been disqualified. Community HousingWorks submitted a written appeal of this disqualification on August 14, 2024 and CTCAC staff denied our appeal in a letter dated August 16, 2024. We respectfully submit our second appeal to you and ask that you reverse the disqualification determination.

CTCAC Determination

The determination letter states that CTCAC staff "determined the project as presented in the application does not meet the application requirements as outlined in CTCAC Regulations Section 10325(f)(8). The Financing Plan in tab 2 states "The Applicant plans to apply for FHLB-AHP funds in the amount shown above [\$1,200,000] for this development." As per CTCAC Regulation Section 10325(f)(8), "applicants shall provide evidence that all deferred-payment financing, residual receipts payment financing, grants and subsidies shown in the application are 'committed' at the time of application." The application has not demonstrated that this deferred payment financing is committed at the time of application."

In CTCAC's August 16, 2024 response letter to our initial appeal letter, CTCAC staff stated "Following review of the appeal letter, the application, and CTCAC regulations, I concur with staff's determination for the reasons previously stated. I find that the uncommitted FHLB-AHP specifically does not meet the requirements of CTCAC Regulations Section 10325(f)(8). I do not find any conflicting provisions in the sections you referenced. With regard to the request to consider CTCAC Regulations Section 10325(a) to address the shortage of sources, I find that the

contingency line item is specific to the 9% portion and not combined with the 4% portion. As a result, the appeal is not granted”

Project Background

The subject application, Pacific Street Apartments Nine, is the 9% tax credit component of a hybrid project. Pacific Street Apartments Four (CA-24-553) is the 4% tax credit component and received tax credit and tax-exempt bond allocations on August 6, 2024.

This project represents a collaboration between the City of Rocklin, Placer County, and Community HousingWorks to bring new affordable housing for individuals and families to the City of Rocklin, on what is now a vacant/underutilized urban infill site. It is a Large Family project in a High Resource area (a high priority with the state) and employs a hybrid structure that maximizes the state’s limited resources.

Combined, this hybrid project will provide 110 units of crucial affordable housing to the City. As Rocklin faces challenges in meeting its fair share of regional housing needs, this project—the City's first affordable housing development—will play a pivotal role in addressing these unmet needs. With Rocklin's regional fair share obligation of 1,911 low-income and very-low-income units, this project will contribute by offering 28 very low-income units (30% AMI) and 37 low-income units (50% AMI). Supported by 16 committed project-based vouchers, and with all units targeted at or below 60% AMI, the project will serve the area's most vulnerable residents. It is essential for the project to move forward in this 9% round, as the Affordable Housing Agreement with the City expires in December 2024. Not competing in this round would result in a lost opportunity to build much-needed units, hindering progress in addressing the City's unmet regional fair share of affordable housing.

Appeal

CTCAC Regulations Section 10325(f) related to funding commitments required at application is unclear and contains conflicting requirements, which resulted in our confusion in the hybrid application submission for Pacific Street Apartments Nine.

Under CTCAC Regulations 10325(f), paragraph 8 requires that the project has all deferred payment financing committed at time of application. Under this same Section 10325(f), however, paragraph (3) states “Applicants shall provide evidence of enforceable financing commitments for at least fifty percent (50%) of the acquisition and construction financing, or at least fifty percent (50%) of the permanent financing, of the proposed project’s estimated total acquisition and construction or total permanent financing requirements.”

For our previously awarded 4% project, Pacific Street Apartments Four, we relied on 10325(f)(3) in determining that we only needed 50% of permanent financing committed at application for threshold. For our 9% application submission, Pacific Street Apartments Nine, we believed that

the same requirement in 10325(f)(3) applied to our 9% application as part of a hybrid project. We believed that our 9% application met this requirement by providing funding commitments for 100% of the “acquisition or construction financing” and providing commitments for more than 50% of the permanent financing.

We respectfully request that CTCAC consider that these conflicting provisions within CTCAC Regulations Section 10325(f) contributed to our confusion and ultimately led to our interpretation that we did not need all our deferred payment financing commitments at the time of the 9% application submission. To prevent similar confusion for hybrid applicants in the future, we recommend that CTCAC consider revising the Regulations to clarify that 10325(f)3 applies to the 4% hybrid application and 10325(f)8 applies to the 9% hybrid application.

Alternatively, under CTCAC Regulations 10327(a), we are requesting that CTCAC consider the uncommitted \$1,200,000 AHP funds as an initial application error “resulting in a shortage of sources up to the higher of \$100,000 or 50% of the contingency line item shall be deemed covered by the contingency line item.” The 9% portion of this hybrid project has a total of \$1,489,929 hard and soft cost contingencies. The 4% portion of this hybrid project has a total of \$1,064,336 hard and soft cost contingencies. As a combined hybrid project, the overall soft and hard cost contingency totals \$2,554,265. The \$1,200,000 sources shortage is approximately 46.98% of this combined contingency. These two portions of the hybrid project are inseparable and should be considered jointly.

CTCAC Regulations Section 10302(aa) defines a “Hybrid project or development” and references Section 10325(c)(9)(A) in its definition. In Section 10325(c)(9)(A) (excerpt included below), the Regulations establish that the 4% and 9% components of a hybrid development should be considered together when evaluating its soft resources and development costs.

“In the case of a new construction Hybrid 9% and 4% tax credit development which meets all of the following conditions, the calculation of the size factor for the 9% application shall include all of the Tax Credit Units in the 4% application up to the limit described above, the **leveraged soft resources ratio calculated pursuant to this subparagraph (A) shall utilize the combined amount of leveraged soft resources defraying residential costs and the combined total residential project development costs from both the 9% and 4% applications, and the ratio calculated pursuant to subparagraph (B) shall also utilize the combined total residential project development costs from both the 9% and 4% applications:**

Regulations Section 10322(h)(10), which allows hybrid projects to combine information from both 9% and 4% projects in a single market study report, further establishes that these projects should be considered jointly.

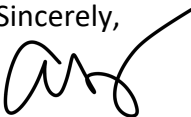
We ask that you consider the hard and soft contingencies included in the development cost budgets of the 4% and 9% projects, jointly when applying Section 10327(a). We also believe that Section 10327(a) does not clearly or directly address whether contingencies would be considered jointly for hybrid projects or whether they would be considered separately. CTCAC Regulations Section 10325(e) states: "In scoring and evaluating project applications, the Executive Director shall have the discretion to interpret the intent of these regulations and to score and evaluate applications accordingly." The 4% and 9% components of a hybrid project are inextricably linked and that is established in multiple sections of the CTCAC regulations. We respectfully request that you invoke your authority as Executive Director to provide an interpretation of 10327(a) that permits the 4% and 9% hybrid project contingencies to be considered jointly for application evaluation purposes.

Within the standalone 9% application, we also contend that the paid developer fee of \$1,091,934 serves as a contingency from the developer. Combining this with the \$1,489,929 hard and soft contingencies brings the total in the 9% application to \$2,581,863. The \$1,200,000 sources shortage is approximately 46.48% of this combined contingency. As the sponsor is responsible for covering any gaps before receiving paid fees, the fees are contingent on a balanced sources and uses. Our investor and lender require the paid fee to be treated as additional contingency should we not secure AHP in time. In such cases, the paid fee will be combined with other contingency funds to fill any gaps in our sources.

We urgently request CTCAC staff reverse this disqualification as a disqualification will effectively terminate these 110 units of vitally needed large family housing units from ever coming to fruition. This is a critical juncture due to an expiring Affordable Housing Agreement, making this 9% application cycle our last chance to proceed. The Pacific Street Apartments Four has secured 4% credits and tax-exempt bonds and is set to close financing and commence construction by April 2025. Reversing the disqualification would preserve the successful deployment of the 4% allocation and ensure the successful continuation of the entire hybrid project, thereby safeguarding this vital affordable housing initiative in Rocklin.

We appreciate your reconsideration of the decision to disqualify the Pacific Street Apartments Nine project. If you have any questions or need any additional information, please contact me at 619-858-9031 or at aslaby@chworks.org.

Sincerely,



Anna Slaby

Vice President of Housing & Real Estate Development



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

901 P Street, Suite 213A
Sacramento, CA 95814
p (916) 654-6340
f (916) 654-6033
www.treasurer.ca.gov/ctcac

MEMBERS

FIONA MA, CPA, CHAIR
State Treasurer

MALIA M. COHEN
State Controller

JOE STEPHENSHAW
Director of Finance

GUSTAVO VELASQUEZ
Director of HCD

TIENA JOHNSON HALL
Executive Director of CalHFA

EXECUTIVE DIRECTOR
MARINA WIANT

August 26, 2024

Anna Slaby
Community HousingWorks
3111 Camino Del Rio North, Suite 800
San Diego, CA 92108

E-mail: mstanko@chworks.org
kleichner@chworks.org

RE: CA-24-169 / Pacific Street Apartments Nine

Dear Anna Slaby:

This letter is in response to the 2nd appeal letter received on August 21, 2024 of the California Tax Credit Allocation Committee ("CTCAC") disqualification of the application for the above referenced project. The application was disqualified because the financing plan referenced applying for FHLB-AHP funds, which is not committed at the time of application.

CTCAC Regulation Section 10325(f)(8) states, "applicants shall provide evidence that all deferred-payment financing, residual receipts payment financing, grants and subsidies shown in the application are 'committed' at the time of application." The Financing Plan in tab 2 states "The Applicant plans to apply for FHLB-AHP funds in the amount shown above [\$1,200,000] for this development." For this reason, CTCAC staff determined that the project as presented in the application does not meet the application requirements as outlined in CTCAC Regulations Section 10325(f)(8).

The appeal letter pointed to CTCAC Regulations Section 10325(f) and stated there were conflicting provisions within that section. "Under CTCAC Regulations 10325(f), paragraph 8 requires that the project has all deferred payment financing committed at time of application. Under this same Section 10325(f), however, paragraph (3) states "Applicants shall provide evidence of enforceable financing commitments for at least fifty percent (50%) of the acquisition and construction financing, or at least fifty percent (50%) of the permanent financing, of the proposed project's estimated total acquisition and construction or total permanent financing requirements." The appeal letter states that for the previously awarded 4% project, Pacific Street Apartments Four, they relied on 10325(f)(3) in determining that they

only needed 50% of permanent financing committed at application for threshold and they believed that the 9% application met this requirement by providing funding commitments for 100% of the “acquisition or construction financing” and providing commitments for more than 50% of the permanent financing. The previously awarded 4% project, however, did not include FHLB-AHP funds.

CTCAC Regulation Section 10325(f)(8)(E) allows AHP funds to be substituted for any funding source after a Reservation of Tax Credits if an AHP commitment is obtained after the CTCAC application due date and Section 10325(f)(8)(F) further states that “A project is exempt from the provisions of this subsection if it has funds anticipated and publicly published with provisional awardee names but not yet officially awarded in the capacity required above with the following entities that administer multifamily financing programs:... Affordable Housing Program (AHP) provided pursuant to a program of the Federal Home Loan Bank...” It is clear from this language that FHLB-AHP funds fall under the requirements of Section 10325(f)(8) and must be shown in the application are “committed” at the time of application.

Alternatively, you request the \$1,200,000 in uncommitted FHLB-AHP funds be considered an application error under CTCAC Regulations Section 10325(a). The appeal letter requested that the contingency line items for both the 9% portion and the 4% portion be considered when determining the higher of \$100,000 or 50% of the contingency line item.

Following review of the appeal letter, the application, and CTCAC regulations, I concur with staff’s determination for the reasons previously stated. I find that the uncommitted FHLB-AHP specifically does not meet the requirements of CTCAC Regulations Section 10325(f)(8). With regard to the request to consider CTCAC Regulations Section 10325(a) to address the shortage of sources, I concur with staff’s determination find that the contingency line item is specific to the 9% project and not combined with the 4% project. As a result, the appeal is not granted.

If you wish to appeal this decision to the Committee, you may submit a final written appeal, along with a \$500 appeal fee, that must be received by CTCAC no later than 5:00 pm on September 3, 2024. Please address any written appeal to CTCAC’s mailing address, and staff will distribute it to the Committee for consideration at the next CTCAC meeting. Please feel free to contact me at marina.wiant@treasurer.ca.gov should you have any questions or concerns.

Sincerely,



Marina Wiant
Executive Director



August 30, 2024

California Tax Credit Allocation Committee
901 P Street Suite 213A
Sacramento, CA 95814

Re: CA-24-169/ Pacific Street Apartments Nine Disqualification

Dear California Tax Credit Allocation Committee Members:

We received a letter dated August 9, 2024, informing us that Pacific Street Apartments Nine's California Tax Credit Allocation Committee (CTCAC) application has been disqualified. Community HousingWorks submitted an initial written appeal of this disqualification on August 14, 2024 and CTCAC staff denied our appeal in a letter dated August 16, 2024. Community HousingWorks submitted a second appeal of this disqualification on August 21, 2024 to the CTCAC Executive Director, which was denied in a letter dated August 26, 2024. We respectfully submit our final appeal to the CTCAC Committee Members and ask that you reverse the disqualification determination.

CTCAC Determination

The determination letter states that CTCAC staff "determined the project as presented in the application does not meet the application requirements as outlined in CTCAC Regulations Section 10325(f)(8). The Financing Plan in tab 2 states "The Applicant plans to apply for FHLB-AHP funds in the amount shown above [\$1,200,000] for this development." As per CTCAC Regulation Section 10325(f)(8), "applicants shall provide evidence that all deferred-payment financing, residual receipts payment financing, grants and subsidies shown in the application are 'committed' at the time of application." The application has not demonstrated that this deferred payment financing is committed at the time of application."

In CTCAC's August 16, 2024 response letter to our initial appeal letter, CTCAC staff stated "Following review of the appeal letter, the application, and CTCAC regulations, I concur with staff's determination for the reasons previously stated. I find that the uncommitted FHLB-AHP specifically does not meet the requirements of CTCAC Regulations Section 10325(f)(8). I do not find any conflicting provisions in the sections you referenced. With regard to the request to consider CTCAC Regulations Section 10325(a) to address the shortage of sources, I find that the contingency line item is specific to the 9% portion and not combined with the 4% portion. As a result, the appeal is not granted"

In the CTCAC Executive Director’s August 26, 2024 response letter to our second appeal letter, the Executive Director stated: “Following review of the appeal letter, the application, and CTCAC regulations, I concur with staff’s determination for the reasons previously stated. I find that the uncommitted FHLB-AHP specifically does not meet the requirements of CTCAC Regulations Section 10325(f)(8). With regard to the request to consider CTCAC Regulations Section 10325(a) to address the shortage of sources, I concur with staff’s determination find that the contingency line item is specific to the 9% project and not combined with the 4% project. As a result, the appeal is not granted.”

Prior Committee Approval of Appeal related Uncommitted FHLB-AHP

The CTCAC Committee has approved a similar application appeal in 2019, which should be considered in evaluating our appeal. At the June 12, 2019, Committee Meeting, the committee approved the appeal of a disqualification for application **CA-19-700, NOVA Apartment**. The sponsor appealed the disqualification resulting from proposing FHLB-AHP funds as uncommitted construction and permanent financing sources. The sponsor’s basis for the appeal was that they misinterpreted the CTCAC Regulations regarding uncommitted AHP sources for a 4% federal and state credit application. In their application, the applicant specifically indicated that the AHP funds were uncommitted, and they did not contemplate receiving AHP until 2020. The Committee approved their appeal and reversed CTCAC staff’s disqualification of this application.

Project Background

The subject application, Pacific Street Apartments Nine, is the 9% tax credit component of a hybrid project. Pacific Street Apartments Four (CA-24-553) is the 4% tax credit component and received tax credit and tax-exempt bond allocations on August 6, 2024.

This project represents a collaboration between the City of Rocklin, Placer County, and Community HousingWorks to bring new affordable housing for individuals and families to the City of Rocklin, on what is now a vacant/underutilized urban infill site. It is a Large Family project in a High Resource area (a high priority with the state) and employs a hybrid structure that maximizes the state’s limited resources.

Combined, this hybrid project will provide 110 units of crucial affordable housing to the City. As Rocklin faces challenges in meeting its fair share of regional housing needs, this project—the City’s first affordable housing development—will play a pivotal role in addressing these unmet needs. With Rocklin’s regional fair share obligation of 1,911 low-income and very-low-income units, this project will contribute by offering 28 very low-income units (30% AMI) and 37 low-income units (50% AMI). Supported by 16 committed project-based vouchers, and with all units targeted at or below 60% AMI, the project will serve the area’s most vulnerable residents. It is essential for the project to move forward in this 9% round, as the Affordable Housing

Agreement with the City expires in December 2024. Not competing in this round would result in a lost opportunity to build much-needed units, hindering progress in addressing the City's unmet regional fair share of affordable housing.

Appeal

CTCAC Regulations Section 10325(f) related to funding commitments required at application is unclear and contains conflicting requirements, which resulted in our confusion in the hybrid application submission for Pacific Street Apartments Nine.

Under CTCAC Regulations 10325(f), paragraph 8 requires that the project has all deferred payment financing committed at time of application. Under this same Section 10325(f), however, paragraph (3) states “Applicants shall provide evidence of enforceable financing commitments for at least fifty percent (50%) of the acquisition and construction financing, or at least fifty percent (50%) of the permanent financing, of the proposed project’s estimated total acquisition and construction or total permanent financing requirements.”

For our previously awarded 4% project, Pacific Street Apartments Four, we relied on 10325(f)(3) in determining that we only needed 50% of permanent financing committed at application for threshold. For our 9% application submission, Pacific Street Apartments Nine, we believed that the same requirement in 10325(f)(3) applied to our 9% application as part of a hybrid project. We believed that our 9% application met this requirement by providing funding commitments for 100% of the “acquisition or construction financing” and providing commitments for more than 50% of the permanent financing.

In the CTCAC Executive Director’s response letter dated August 26, 2024, CTCAC stated that *“The appeal letter states that for the previously awarded 4% project, Pacific Street Apartments Four, they relied on 10325(f)(3) in determining that they only needed 50% of permanent financing committed at application for threshold and they believed that the 9% application met this requirement by providing funding commitments for 100% of the “acquisition or construction financing” and providing commitments for more than 50% of the permanent financing. **The previously awarded 4% project, however, did not include FHLB-AHP funds.**”*

CTCAC staff is correct that our 4% application for Pacific Street Apartments Four did not include uncommitted FHLB-AHP funds. We did, however, include another permanent financing source, Recycled Bonds Loan, as uncommitted permanent financing source under CTCAC Regulations 10325(f)(3). Our 4% application was successful and received an award.

The CTCAC Executive Director’s response letter also references CTCAC Regulations Section 10325(f)(8)(E) and Section 10325(f)(8)(F) and states “It is clear from this language that FHLB-AHP funds fall under the requirements of Section 10325(f)(8) and must be shown in the application are “committed” at the time of application.”

However, the above referenced CTCAC Regulations Section 10325(f)(8)(E) allows FHLB-AHP funds to be substituted after the CTCAC application and Section 10325(f)(8)(F) allows the use of FHLB-AHP funds even if “not yet officially awarded”. Neither of these sections clearly state that FHLB-AHP funds must be committed at application. In fact, both sections referenced treat FHLB-AHP funds as an exception to the requirement for funds to be committed at application. These regulations sections create additional confusion as to whether FHLB-AHP funds need to be committed when included as a permanent source. Pacific Street Apartments Nine is also the 9% component of a hybrid project, which further complicates and confuses things as stated above.

We respectfully request that the CTCAC Committee members consider that these conflicting provisions within CTCAC Regulations Section 10325(f) contributed to our confusion and ultimately led to our interpretation that we did not need all our deferred payment financing commitments at the time of the 9% application submission. To prevent similar confusion for hybrid applicants in the future, we recommend that CTCAC consider revising the Regulations to clarify that 10325(f)3 applies to the 4% hybrid application and 10325(f)8 applies to the 9% hybrid application.

Alternatively, under CTCAC Regulations 10327(a), we are requesting that CTCAC Committee Members consider the uncommitted \$1,200,000 AHP funds as an initial application error *“resulting in a shortage of sources up to the higher of \$100,000 or 50% of the contingency line item shall be deemed covered by the contingency line item.”* The 9% portion of this hybrid project has a total of \$1,489,929 hard and soft cost contingencies. The 4% portion of this hybrid project has a total of \$1,064,336 hard and soft cost contingencies. As a combined hybrid project, the overall soft and hard cost contingency totals \$2,554,265. The \$1,200,000 sources shortage is approximately 46.98% of this combined contingency. These two portions of the hybrid project are inseparable, and we ask that you consider them jointly.

CTCAC Regulations Section 10302(aa) defines a “Hybrid project or development” and references Section 10325(c)(9)(A) in its definition. In Section 10325(c)(9)(A) (excerpt included below), the Regulations establish that the 4% and 9% components of a hybrid development should be considered together when evaluating its soft resources and development costs.

“In the case of a new construction Hybrid 9% and 4% tax credit development which meets all of the following conditions, the calculation of the size factor for the 9% application shall include all of the Tax Credit Units in the 4% application up to the limit described above, the **leveraged soft resources ratio calculated pursuant to this subparagraph (A) shall utilize the combined amount of leveraged soft resources defraying residential costs and the combined total residential project development**

costs from both the 9% and 4% applications, and the ratio calculated pursuant to subparagraph (B) shall also utilize the combined total residential project development costs from both the 9% and 4% applications:

CTCAC Regulations Section 10322(h)(10), which allows hybrid projects to combine information from both 9% and 4% projects in a single market study report, further establishes that these projects should be considered jointly.

The CTCAC Executive Director's response letter dated August 26, 2024, states *"With regard to the request to consider CTCAC Regulations Section 10325(a) to address the shortage of sources, I concur with staff's determination find that the contingency line item is specific to the 9% project and not combined with the 4% project. As a result, the appeal is not granted."*

We believe *"CTCAC Regulations Section 10325(a)"* was mistakenly referenced by CTCAC instead of Section 10327(a), further demonstrating how confusing it can be to navigate the CTCAC Regulations. CTCAC Regulations Section 10327(a) does not provide any clarity on how the "contingency line item" is defined. This section does not state whether the contingency line item must be calculated from the respective 9% or 4% project only or if it can be combined for a hybrid project. Further, due to lack of definition, we interpret contingency as including both soft cost contingency and hard cost contingency. In addition, lenders and tax credit investors consider the developer fee as contingency and always require that developers defer or contribute developer fee in case of shortage of sources. We respectfully recommend that CTCAC clarify the treatment of the contingency line item to allow hybrid projects to utilize a combined contingency.

We ask that you consider the hard and soft contingencies included in the development cost budgets of the 4% and 9% projects jointly when applying Section 10327(a). We do not believe that Section 10327(a) clearly or directly address whether contingencies would be considered jointly for hybrid projects or whether they would be considered separately. CTCAC Regulations Section 10325(e) states: "In scoring and evaluating project applications, the Executive Director shall have the discretion to interpret the intent of these regulations and to score and evaluate applications accordingly." The 4% and 9% components of a hybrid project are inextricably linked and that is established in multiple sections of the CTCAC regulations. We respectfully request that Committee Members provide an interpretation of 10327(a) that permits the 4% and 9% hybrid project contingencies to be considered jointly for application evaluation purposes given that the finances for hybrid projects are intertwined and the projects are not feasible independent of one another.

As noted above, within the standalone 9% application, we also contend that the paid developer fee of \$1,091,934 serves as a contingency. Combining this with the \$1,489,929 hard and soft contingencies brings the total contingency in the 9% application to \$2,581,863. The \$1,200,000

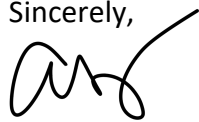
sources shortage is approximately 46.48% of this total contingency. As the sponsor is responsible for covering any gaps before receiving paid developer fees, the developer fees are contingent on a balanced sources and uses. All soft lenders, banks and tax credit investors treat the developer fee as contingency and always require that developers defer or contribute developer fee in case of shortage of sources, which we would do if we do not secure the FHLB-AHP funds. In such cases, the paid fee will be combined with other contingency funds to fill any gaps in our sources.

Additionally, the \$1,200,000 of FHLB-AHP funds account for only 3.27% of the permanent sources/total project costs for Pacific Street Apartments Nine. The FHLB-AHP funds were not needed to score the full 109 points. All construction financing for the project was committed at application which was enough to score full points for Readiness to Proceed and the FHLB-AHP funds were not used in the calculation of Leveraged Soft Financing for the application's tiebreaker. Of the applications that applied in 9% Round 2 in the Capital Region, Pacific Street Apartments Nine has the highest tiebreaker in the region with 78.507%, which is 15.611% higher than the next highest project in the Capital Region.

We urgently request CTCAC Committee members to reverse this disqualification as a disqualification will effectively terminate these 110 units of vitally needed large family housing units from ever coming to fruition. This is a critical juncture due to an expiring Affordable Housing Agreement, making this 9% application cycle our last chance to proceed. The Pacific Street Apartments Four has secured 4% credits and tax-exempt bonds and is set to close financing and commence construction by April 2025. Reversing the disqualification would preserve the successful deployment of the 4% allocation and ensure the successful continuation of the entire hybrid project, thereby safeguarding this vital affordable housing initiative in Rocklin.

We appreciate your reconsideration of the decision to disqualify the Pacific Street Apartments Nine project. If you have any questions or need any additional information, please contact me at 619-858-9031 or at aslaby@chworks.org.

Sincerely,



Anna Slaby

Vice President of Development

Conflict Summary
October 2, 2024 CTCAC Committee Meeting

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-24-155	The Linwood Rose 24108 & 24124 Fir Avenue Moreno Valley, CA 92553 Riverside County	Linwood Rose, LP William Leach	RBD Linwood Rose, LLC James Jernigan KDI Linwood Rose, LLC William Leach	Rancho Belago Developers James Jernigan	City of Moreno Valley & Moreno Valley Housing Authority Mike Lee	Citibank City of Moreno Valley City of Moreno Valley: HOME ARP City of Moreno Valley: Waived Fees County of Riverside: HOME ARP
CA-24-169	Pacific Street Apartments Nine SW Corner of Pacific Street and Pine Street Rocklin, CA 95677 Placer County	Community HousingWorks Maggie Stanko	CHW Pacific Street Nine LLC Kevin Leichner	Community HousingWorks Maggie Stanko	Pacific Street Development Holding Company, LLC Kevin Leichner	Banner Bank City of Rocklin: Ground Lease AHP

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

The Linwood Rose, located at 24108 & 24124 Fir Avenue in Moreno Valley, requested and is being recommended for a reservation of \$1,619,769 in annual federal tax credits to finance the new construction of 35 units of housing serving special needs tenants with rents affordable to households earning 30%-40% of area median income (AMI). The project will be developed by Rancho Belago Developers and will be located in Senate District 31 and Assembly District 60.

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

Project Number CA-24-155

Project Name The Linwood Rose

Site Address: 24108 & 24124 Fir Avenue
Moreno Valley, CA 92553

County: Riverside

Census Tract: 425.15

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,619,769	\$0
Recommended:	\$1,619,769	\$0

Applicant Information

Applicant: Linwood Rose, LP

Contact: William Leach

Address: 6451 Box Springs Boulevard
Riverside, CA 92507

Phone: (951) 538-6244

Email: william@kingdomdevelopment.net

General Partner(s) / Principal Owner(s): RBD Linwood Rose, LLC
KDI Linwood Rose, LLC

General Partner Type: Joint Venture

Parent Company(ies): Rancho Belago Developers
Kingdom Development, Inc.

Developer: Rancho Belago Developers

Investor/Consultant: CREA LLC

Management Agent(s): AWI Property Management

Project Information

Construction Type: New Construction

Total # Residential Buildings: 1

Total # of Units: 36

No. & % of Tax Credit Units: 35 100%

Federal Set-Aside Elected: 40%/60%

Federal Subsidy: HOME-ARP / HUD Section 8 Project-based Vouchers (35 Units - 100%)

Information

Set-Aside: N/A
Housing Type: Special Needs
Type of Special Needs: Homeless
Average Targeted Affordability of Special Needs Project Units: 100%
% of Special Need Units: 35 units 100.00%
Geographic Area: Inland Empire Region
CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AMI:	4	10%
At or Below 40% AMI:	31	80%

Unit Mix

35 1-Bedroom Units
1 2-Bedroom Units
<u>36 Total Units</u>

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
4 1 Bedroom	30%	\$577
31 1 Bedroom	40%	\$769
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$470,000
Construction Costs	\$13,224,038
Rehabilitation Costs	\$0
Construction Contingency	\$1,070,810
Relocation	\$0
Architectural/Engineering	\$1,000,000
Const. Interest, Perm. Financing	\$1,359,988
Legal Fees	\$370,000
Reserves	\$160,721
Other Costs	\$1,900,124
Developer Fee	\$2,601,414
Commercial Costs	\$0
Total	\$22,157,095

Residential

Construction Cost Per Square Foot:	\$532
Per Unit Cost:	\$615,475
True Cash Per Unit Cost*:	\$581,394

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank	\$13,087,141	Citibank	\$2,934,646
Seller Carryback	\$395,000	Seller Carryback	\$395,000
City: HOME-ARP ²	\$2,063,000	County: HOME-ARP ¹	\$1,500,000
City of Moreno Valley	\$1,350,000	City: HOME-ARP ²	\$2,063,000
Waived Fees	\$649,146	City of Moreno Valley	\$180,000
Deferred Costs	\$2,474,928	Waived Fees	\$649,146
Tax Credit Equity	\$2,137,880	Deferred Developer Fee	\$182,770
		Tax Credit Equity	\$14,252,533
		TOTAL	\$22,157,095

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

¹County of Riverside: HOME American Rescue Plan

²City of Moreno Valley: HOME American Rescue Plan

Determination of Credit Amount(s)

Requested Eligible Basis:	\$13,844,177
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$17,997,430
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,619,769
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,601,414
Investor/Consultant:	CREA LLC
Federal Tax Credit Factor:	\$0.87991

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Special Needs
Self-Score Final:	61.453%
CTCAC Final:	61.464%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Moreno Valley, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 3/4 mile of public park or community center open to general public	2	2	2
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of an adult education campus or community college	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Pacific Street Apartments Nine, located at Pacific Street and Pine Street in Rocklin, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the new construction of 59 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). 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-24-169

Project Name Pacific Street Apartments Nine
Site Address: Pacific Street and Pine Street
Rocklin, CA 95677
County: Placer
Census Tract: 211.03

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

Applicant Information

Applicant: Community HousingWorks
Contact: Maggie Stanko
Address: 3111 Camino Del Rio North, Suite 800
San Diego, CA 92108
Phone: 619-858-9033
Email: mstanko@chworks.org

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

Project Information

Construction Type: New Construction
Total # Residential Buildings: 2
Total # of Units: 60
No. & % of Tax Credit Units: 59 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (8 Units - 14%)

Information

Set-Aside: N/A
Housing Type: Large Family
Geographic Area: Capital Region
CTCAC Project Analyst: Franklin Cui

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	28	45%
At or Below 50% AMI:	36	40%
At or Below 60% AMI:	45	75%

Unit Mix

24 1-Bedroom Units
16 2-Bedroom Units
<u>20 3-Bedroom Units</u>
60 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 1 Bedroom	30%	\$663
2 2 Bedrooms	30%	\$795
6 3 Bedrooms	30%	\$919
12 1 Bedroom	50%	\$1,105
5 2 Bedrooms	50%	\$1,326
6 3 Bedrooms	50%	\$1,532
6 1 Bedroom	60%	\$1,326
8 2 Bedrooms	60%	\$1,591
8 3 Bedrooms	60%	\$1,839
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,437,537
Construction Costs	\$20,134,719
Rehabilitation Costs	\$0
Construction Contingency	\$1,489,929
Relocation	\$0
Architectural/Engineering	\$1,305,273
Const. Interest, Perm. Financing	\$3,092,980
Legal Fees	\$153,100
Reserves	\$290,371
Other Costs	\$3,251,034
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$36,654,943

Residential

Construction Cost Per Square Foot:	\$513
Per Unit Cost:	\$610,916
True Cash Per Unit Cost*:	\$524,647

Construction Financing

Source	Amount
Banner Bank	\$22,261,232
City of Rocklin: Ground Lease	\$3,768,084
Deferred Costs	\$1,101,724
Deferred Developer Fee	\$1,408,066
Tax Credit Equity	\$8,115,837

Permanent Financing

Source	Amount
Banner Bank	\$6,727,000
City of Rocklin: Ground Lease	\$3,768,084
AHP	\$1,200,000
Deferred Developer Fee	\$1,408,066
Tax Credit Equity	\$23,551,793
TOTAL	\$36,654,943

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,367,521
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,777
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.94207

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	78.507%
CTCAC Final:	78.507%

Significant Information / Additional Conditions

This 60 unit application was submitted as a hybrid application serving large families. The project is comprised of a 9% component (CA-24-169) consisting of 59 units and 1 manager's unit and a 4% component (CA-24-553) consisting of 50 units.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Rocklin, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

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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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ¼ mile of transit station or public bus stop	4	4	4
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within ½ mile of a public middle school	3	3	3
Within 1 mile of a pharmacy	1	1	1
Highest or High Resource Area	8	8	8
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Utilizing Excess State-Owned Land	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.



AGENDA ITEM 5

**Recommendation for reservation of
2024 second round federal 9% and
state LIHTCs, subject to change if
appeals are granted under Item 4.
(Health & Saf. Code, §§ 50199.10,
50199.14; Cal. Code Regs., tit. 4, §
10310.)**

CTCAC 2024 Second Round 9% Preliminary Recommendations for the Set-Aside Projects

October 2, 2024

Funding Order	Point Score	Final Tie Breaker Score	Project Number	Project Name	Project City	Housing Type	Federal Credits	State Credits
<u>NONPROFIT SET ASIDE</u>				Set-Aside Credit Available				
				\$3,832,480				
1	109.00	120.715%	CA-24-150	Valentine Road Apartments - NPHA	Ventura	Special Needs	\$2,500,000	\$11,238,143
2	109.00	93.532%	CA-24-103	Hill Street - NPHA	Belmont	Large Family HR	\$2,014,263	\$0
							<u>\$4,514,263</u>	<u>\$11,238,143</u>
Remaining Balance in Set-Aside							(\$681,783)	
<u>RURAL SET ASIDE</u>				Set-Aside Credit Available				
				\$9,813,729				
3	109.00	77.761%	CA-24-073	Summer Oaks - HOME	Sonoma (Unincorporated)	Large Family	\$2,500,000	\$8,555,188
4	109.00	64.678%	CA-24-077	Westside Subdivision - Native American	Tuolumne	Large Family HR	\$2,500,000	\$0
5	109.00	81.770%	CA-24-142	Eureka Scattered Site Project	Eureka	Large Family	\$2,500,000	\$14,652,743
6	109.00	75.380%	CA-24-130	Maple Meadows I	Chowchilla	Large Family	\$2,500,000	\$0
							<u>\$10,000,000</u>	<u>\$23,207,931</u>
Remaining Balance in Set-Aside							(\$186,271)	
<u>AT-RISK SET-ASIDE</u>				Set-Aside Credit Available				
				\$3,750,629				
7	109.00	36.216%	CA-24-082	Highland Manor	Santa Ana	At-Risk	\$481,847	\$0
8	109.00	26.832%	CA-24-083	Casa Longwood	Los Angeles	At-Risk	\$547,138	\$0
9	109.00	20.166%	CA-24-160	Ramona Park Apartments	Baldwin Park	At-Risk	\$1,741,487	\$5,728,683
10	109.00	16.239%	CA-24-149	Sundance Apartments	Bakersfield	At-Risk	\$1,688,763	\$5,564,616
							<u>\$4,459,235</u>	<u>\$11,293,299</u>
Remaining Balance in Set-Aside							(\$708,606)	
<u>SPECIAL NEEDS SET-ASIDE</u>				Set-Aside Credit Available				
				\$1,902,722				
11	109.00	84.665%	CA-24-071	The Garvey	Compton	Special Needs	\$2,500,000	\$0
							<u>\$2,500,000</u>	<u>\$0</u>
Remaining Balance in Set-Aside							(\$597,278)	

Total Annual Federal Credits from Set Aside Projects	Total State Credits from Set Aside Projects
\$21,473,498	\$45,739,373

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CTCAC 2024 Second Round 9% Preliminary Recommendations for the Geographic Regions

October 2, 2024

Funding Order	Point Score	Final Tie Breaker Score	Project Number	Project Name	Housing Type	Federal Credits	State Credits	Federal/State
<u>CITY OF LOS ANGELES</u>				Geographic Region Credit Available \$4,077,300				
12	109.00	75.032%	CA-24-133	Harmony Senior Apartments	Seniors	\$2,500,000	\$0	\$2,500,000
						\$2,500,000	\$0	\$2,500,000
						Remaining Balance in Geographic Region		\$1,577,300
<u>BALANCE OF LOS ANGELES COUNTY</u>				Geographic Region Credit Available \$4,793,188				
13	109.00	87.941%	CA-24-141	Fountain Street Apartments	Large Family HR	\$2,500,000	\$1,678,678	\$2,667,868
24	109.00	83.711%	CA-24-154	The 101	Special Needs	\$2,249,775	\$0	\$2,249,775
						\$4,749,775	\$1,678,678	\$4,917,643
						Remaining Balance in Geographic Region		(\$124,455)
<u>CENTRAL VALLEY REGION</u>				Geographic Region Credit Available \$2,672,426				
14	109.00	81.887%	CA-24-072	Letzring Senior Housing	Seniors	\$2,500,000	\$6,076,797	\$3,107,680
						\$2,500,000	\$6,076,797	\$3,107,680
						Remaining Balance in Geographic Region		(\$435,254)
<u>SAN DIEGO COUNTY</u>				Geographic Region Credit Available \$2,155,445				
15	109.00	66.354%	CA-24-147	Rose Creek Village	SRO	\$2,340,177	\$0	\$2,340,177
						\$2,340,177	\$0	\$2,340,177
						Remaining Balance in Geographic Region		(\$184,732)
<u>INLAND EMPIRE REGION</u>				Geographic Region Credit Available \$4,235,773				
16	109.00	71.451%	CA-24-092	Cambern Avenue Apartments	Large Family HR	\$2,500,000	\$2,949,121	\$2,794,912
25	109.00	63.239%	CA-24-132	Arc Village Apartments	Large Family HR	\$1,532,725	\$0	\$1,532,725
						\$4,032,725	\$2,949,121	\$4,327,637
						Remaining Balance in Geographic Region		(\$91,864)

CTCAC 2024 Second Round 9% Preliminary Recommendations for the Geographic Regions

October 2, 2024

Funding Order	Point Score	Final Tie Breaker Score	Project Number	Project Name	Housing Type	Federal Credits	State Credits	Federal/State
<u>EAST BAY REGION</u>				Geographic Region Credit Available \$2,105,987				
17	109.00	96.489%	CA-24-070	Pacific Avenue Senior Homes	Seniors	\$2,500,000	\$1,324,821	\$2,632,482
						\$2,500,000	\$1,324,821	\$2,632,482
						Remaining Balance in Geographic Region		(\$526,495)
<u>ORANGE COUNTY</u>				Geographic Region Credit Available \$2,399,234				
18	109.00	64.164%	CA-24-171	Lincoln Beach	Seniors	\$1,923,622	\$0	\$1,923,622
						\$1,923,622	\$0	\$1,923,622
						Remaining Balance in Geographic Region		\$475,612
<u>SOUTH AND WEST BAY REGION</u>				Geographic Region Credit Available \$1,668,748				
19	109.00	86.770%	CA-24-085	Cherry Street Commons	Large Family HR	\$2,085,934	\$0	\$2,085,934
						\$2,085,934	\$0	\$2,085,934
						Remaining Balance in Geographic Region		(\$417,186)
<u>CAPITAL REGION</u>				Geographic Region Credit Available \$2,388,062				
20	109.00	61.402%	CA-24-116	Central Sacramento Studios II	Special Needs	\$2,497,453	\$0	\$2,497,453
						\$2,497,453	\$0	\$2,497,453
						Remaining Balance in Geographic Region		(\$109,391)
<u>CENTRAL COAST REGION</u>				Geographic Region Credit Available \$2,244,848				
21	109.00	97.043%	CA-24-172	Bella Vista	Large Family HR	\$2,380,366	\$0	\$2,380,366
						\$2,380,366	\$0	\$2,380,366
						Remaining Balance in Geographic Region		(\$135,518)
<u>NORTHERN REGION</u>				Geographic Region Credit Available \$1,535,350				
22	109.00	69.114%	CA-24-135	Oak Park Senior Apartments	Seniors	\$1,024,105	\$0	\$1,024,105
						\$1,024,105	\$0	\$1,024,105
						Remaining Balance in Geographic Region		\$511,245

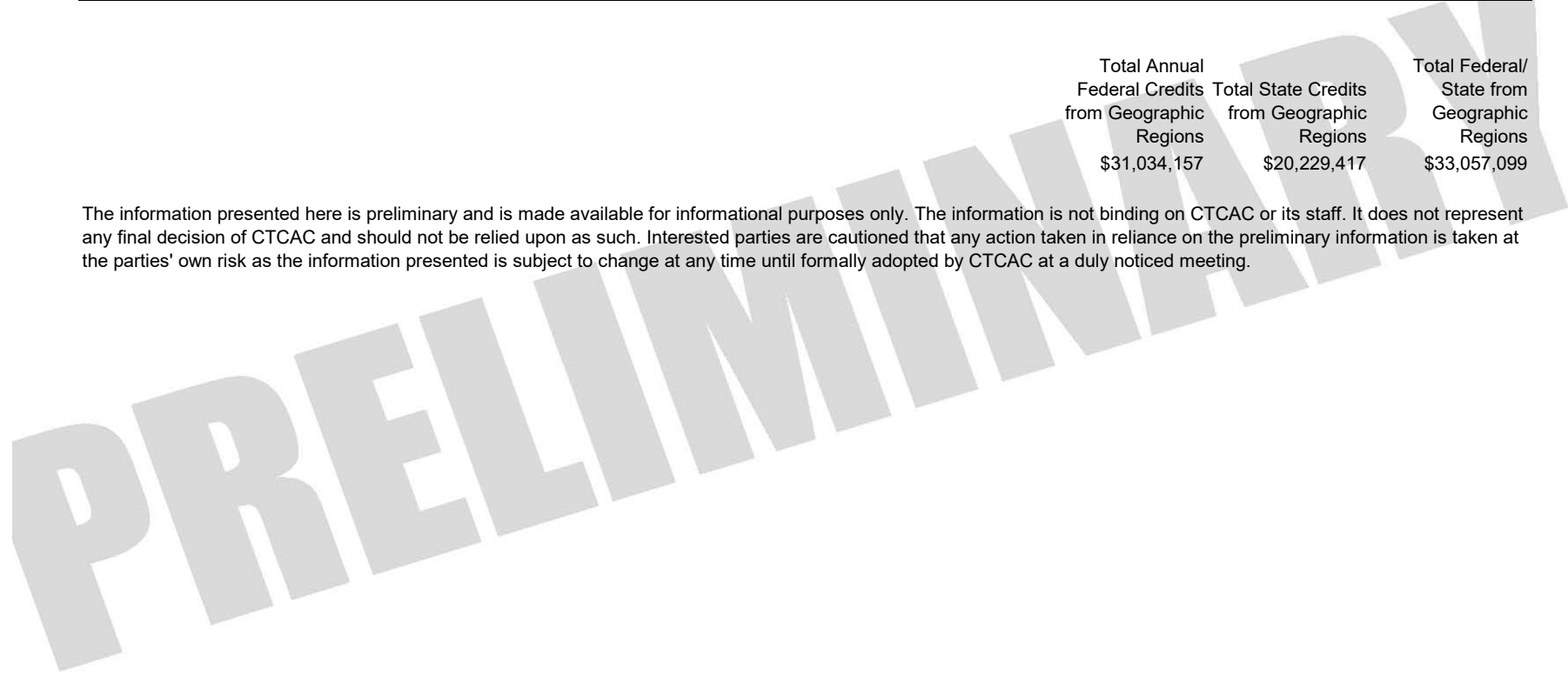
CTCAC 2024 Second Round 9% Preliminary Recommendations for the Geographic Regions

October 2, 2024

Funding Order	Point Score	Final Tie Breaker Score	Project Number	Project Name	Housing Type	Federal Credits	State Credits	Federal/State
<u>SAN FRANCISCO COUNTY</u>				Geographic Region Credit Available \$5,098,819				
23	109.00	22.531%	CA-24-087	Sierra Madre Apartments	SRO	\$2,500,000	\$8,200,000	\$3,320,000
						\$2,500,000	\$8,200,000	\$3,320,000
						Remaining Balance in Geographic Region		\$1,778,819

Total Annual Federal Credits from Geographic Regions	Total State Credits from Geographic Regions	Total Federal/State from Geographic Regions
\$31,034,157	\$20,229,417	\$33,057,099

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**Conflict Summary
October 2, 2024 CTCAC Committee Meeting**

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-24-070	Pacific Avenue Senior Homes 3701 Pacific Avenue Livermore, CA 94550 Alameda County	Satellite Affordable Housing Associates James Conlon	Pac Avenue, LLC Eve Stewart	Satellite Affordable Housing Associates Eve Stewart	City of Livermore Marc Roberts	JPMorgan Chase Bank Alameda County: A1 City of Livermore AHP HUD: Section 202 HCD: NPLH
CA-24-071	The Garvey 1434 West Compton Blvd Compton, CA 90220 Los Angeles County	Coalition for Responsible Community Development Van Scott	CRCD LLC Van Scott	Coalition for Responsible Community Development Van Scott	City of Compton as Successor to the former Community Redevelopment Agency of the City of Compton Willie A. Hopkins	Citibank HCD: HHC HCD: NHTF City of Compton
CA-24-072	Letzring Senior Housing 4215 Letzring Lane Bakersfield, CA 93304 Kern County	Letzring RAD LP Stephen M. Pelz	GEAHI Letzring RAD LLC Stephen M. Pelz Kern Letzring Housing LLC Stephen M. Pelz	Housing Authority of the County of Kern Stephen M. Pelz	Housing Authority of the County of Kern Stephen M. Pelz	Bank of America City of Bakersfield: PHLA City of Bakersfield: HOME Kern County Housing Authority City of Bakersfield: HOME ARP CCRC
CA-24-073	Summer Oaks 175 West Verano Ave Sonoma, CA 95476 Sonoma County	MidPen Housing Corporation Joanna Carman	MP Verano LLC Joanna Carman	MidPen Housing Corporation Joanna Carman	Springs Investor Group, LP Norman I. Krug	JPMorgan Chase Bank HCD: Joe Serna HCD: IIG Sonoma County: HOME Sonoma County: CDBG AHP
CA-24-077	Westside Subdivision West of Willow Avenue and Oak Street Tuolumne, CA 95379 Tuolumne County	Westside Subdivision Darryl Tinkle	Tuolumne Economic Development Authority Darryl Tinkle	Tuolumne Economic Development Authority Darryl Tinkle	Tuolumne Economic Development Authority Darryl Tinkle	Tuolumne Economic Development Authority
CA-24-082	Highland Manor 1128 West Highland St Santa Ana, CA 92703 Orange County	Highland Manor II, L.P. Peter Barker	Lutheran Gardens Corp. James Merritt VH Acquisitions III, LLC Peter Barker	Valued Housing II, LLC Peter Barker	Highland Manor Apartments Peter Barker	Citibank
CA-24-083	Casa Longwood 2535 South Longwood Ave Los Angeles, CA 90016 Los Angeles County	Casa Longwood II, L.P. Peter Barker	Lutheran Gardens Corp. James Merritt VH Acquisitions III, LLC Peter Barker	Valued Housing II, LLC Peter Barker	Lutheran Housing Corp. of California James Merritt	Citibank
CA-24-085	Cherry Street Commons 1232 Cherry St San Carlos, CA 94070 San Mateo County	Cherry Street Commons L.P. Andrea Osgood	Eden Cherry Street, LLC Andrea Osgood HIP Housing Development Kate Comfort Harr	Eden Housing, Inc. Andrea Osgood	City of San Carlos Jeff Matibie	U.S. Bancorp City of San Carlos HCD: IIG
CA-24-087	Sierra Madre Apartments 421 Leavenworth St San Francisco, CA 94102 San Francisco County	Tenderloin Neighborhood Development Corporation Katherine Lamont	Sierra Madre GP LLC Katherine Lamont	Tenderloin Neighborhood Development Corporation Christopher Cummings	Tenderloin Neighborhood Development Corporation Katherine Lamont	Silicon Valley Bank MOHCD: CDBG
CA-24-092	Cambern Avenue Apartments 29366 and 29377 3rd St Lake Elsinore, CA 92532 Riverside County	Community HousingWorks Kevin Leichner	CHW Cambern Avenue, LLC Kevin Leichner	Community HousingWorks Kevin Leichner	Ava Karas, LLC Emad Bolous	Banner Bank City of Lake Elsinore County of Riverside: PLHA

Conflict Summary
October 2, 2024 CTCAC Committee Meeting

Application	Project Name Address City, State Zip Code	Applicant/Owner	General Partner(s)	Developer(s)	Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
Number	County	Applicant/Owner Contact(s)	General Partner(s) Contact(s)	Developer(s) Contact(s)	Signatory of Seller(s)	
CA-24-103	Hill Street 876, 884, 898, and 900 El Camino Real Belmont, CA 94002 San Mateo County	Linc Housing Corporation Cecilia Ngo	LINC-Hill Street, LLC Cecilia Ngo	Linc Housing Corporation Cecilia Ngo	City of Belmont Afshin Oskoui	Wells Fargo Apple - Housing Trust of Silicon Valley County of San Mateo: AHF R.12 County of San Mateo: HOME County of San Mateo: AHF R.6 & 7 City of Belmont CCRC
CA-24-116	Central Sacramento Studios II 815 11th Street Sacramento, CA 95814 Sacramento County	Sacramento 11th Street II LP Daniel J. Johnson	Sacramento 11th Street II LLC Chris Dart Community Revitalization and Development Corporation David Rutledge Danco Communities Chris Dart	Danco Communities Chris Dart	Sacramento 11th Street LP Daniel Johnson	Citibank SHRA SHRA: HTF & LHFT
CA-24-130	Maple Meadows I NE corner of Washington Rd and Maple St Chowchilla, CA 93610 Madera County	Self-Help Enterprises Betsy McGovern-Garcia	Self-Help Enterprises Betsy McGovern-Garcia	Self-Help Enterprises Betsy McGovern-Garcia	Tony Lam Tony Lam	U.S. Bancorp HCD: HOME ARP HCD: IIG NHTF
CA-24-132	Arc Village Apartments Directly south of 73255 Country Club Dr Palm Desert, CA 92260 Riverside County	Chelsea Investment Corporation Cheri Hoffman	Pacific Southwest Community Development Corporation Robert W. Laing CIC Arc Village, LLC Cheri Hoffman	Chelsea Investment Corporation Cheri Hoffman	Palm Desert Housing Authority L. Todd Hileman	Banner Bank Inland Regional Center Palm Desert Housing Authority
CA-24-133	Harmony Senior Apartments 11410 Burbank Blvd Los Angeles, CA 91601 Los Angeles County	Harmony Senior Apartments, L.P. Maurice Ramirez	Domus GP LLC Maurice Ramirez Meldia Development LLC Keishi Ando Spectrum GP LLC Tony Palaigos	Domus Development, LLC Maurice Ramirez	Meldia Development LLC Keishi Ando	Citibank LAHD: HOME HCD: IIG HCD: MHP
CA-24-135	Oak Park Senior Apartments 2805 Cohasset Road Chico, CA 95973 Butte County	Oak Park Senior Apartments, L.P. Maurice Ramirez	Domus GP LLC Maurice Ramirez Spectrum GP LLC Tony Palaigos	Domus Development, LLC Maurice Ramirez	Chuck Tatreau Construction, Inc. Charles W. Tatreau	Citibank CDBG DR-MHP HCD IIG Small Jurisdiction
CA-24-141	Fountain Street Apartments 4151 East Fountain St & 4220 East Wehrle Ct Long Beach, CA 90804 Los Angeles County	Linc Community Development Corporation Anders Plett	LINC-Wehrle Apts, LLC Anders Plett	Linc Community Development Corporation Joey Shields, Project Manager	Long Beach Community Investment Company (Fountain Street) / LINC- Wehrle Apts, LLC (Wehrle Court) Meggan Sorensen (Fountain) / Anders Plett (Wehrle)	Bank of America City of Long Beach: CDBG HCD: MHP
CA-24-142	Eureka Scattered Site Project 1310 Myrtle Avenue, NW Corner of 6th & M St, NE Corner of 8th & G St Eureka, CA 95501 Humboldt County	Linc Housing Corporation Cecilia Ngo	LINC-Eureka APTS, LLC Cecilia Ngo	Linc Housing Corporation Cecilia Ngo	City of Eureka Miles Slattery	Wells Fargo HCD: AHSC HCD: IIG HCD: NHTF
CA-24-147	Rose Creek Village 2662 Garnet Ave San Diego, CA 92109 San Diego County	Rose Creek Village LP Ashley Wright	NCRC Rose Creek GP LLC Ashley Wright SDCHC Rose Creek LLC Theodore Miyahara	National Community Renaissance of California Ashley Wright	Chee Fai Wai and Dung Tieu Wai Chee Fai Wai	JPMorgan Chase Bank County of San Diego: NPLH City of San Diego: CDBG HCD: IIG San Diego Housing Commission

Conflict Summary
October 2, 2024 CTCAC Committee Meeting

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-24-149	Sundance Apartments 6000 White Ln Bakersfield, CA 93309 Kern County	Sundance Apartments, LP Kimberley B. McClintock	Bettencourt Properties, Inc. Ronald D. Bettencourt The Beneficial Housing Foundation Kimberley B. McClintock	Community Preservation Partners Alexis Castillo	Sundance Appartment Associates, a California limited partnership Matthew J. Walter	Citibank
CA-24-150	Valentine Road Apartments 5818 Valentine Rd Ventura, CA 93003 Ventura County	Homecomings, Inc. Jeffrey Lambert	Valentine Road LLC Jeffrey Lambert	Housing Authority of the City of San Buenaventura Karen Flock	Cavalier California LP Paul R. Womble	U.S. Bancorp County of Ventura: Loan County of Ventura: HTF County of Ventura: General Funds HCD: Homekey City of Ventura: PLHA Housing Authority of the City of San Buenaventura
CA-24-154	The 101 1814 Pine Ave Long Beach, CA 90806 Los Angeles County	101 Housing Partners LP Tish Kelly	JHC-East PCH LLC Tish Kelly	Jamboree Housing Corporation Tish Kelly	South Fremont 8 Investment, Inc Curt Wang	Bank of America HCD: NHTF City of Long Beach: CDBG
CA-24-160	Ramona Park Apartments 13870 Ramona Blvd Baldwin Park, CA 91706 Los Angeles County	Ramona Park Community Partners, LP Seth Gellis	CPP - Ramona Park GP, LLC Seth Gellis FFAH V RP APTS, LLC Mei Luu	Community Preservation Partners, LLC Philip Choi	FLAG VII RAMONA PARK, L.P. Josh Plattner	Citibank
CA-24-171	Lincoln Beach 130 S. Beach Blvd Anaheim, CA 92804 Orange County	Lincoln Beach, LP Marisela Fuller	IHO-Lincoln Beach LLC Marisela Fuller	Innovative Housing Opportunities Marisela Fuller	Anaheim Housing Authority Grace Ruiz-Stepter	Citibank City of Anaheim
CA-24-172	Bella Vista 100 N. La Cumbre Rd Santa Barbara, CA 93110 Santa Barbara County	200 N La Cumbre Associates, L.P. Rob L. Fredericks	Garden Court, Inc. Rob L. Fredericks 2nd Story Associates Veronica Loza	Santa Barbara Affordable Housing Group Rob L. Fredericks	Housing Authority of the City of Santa Barbara Rob L. Fredericks	Citibank City of Santa Barbara Housing Authority of the City of Santa Barbara

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Pacific Avenue Senior Homes, located at 3701 Pacific Avenue in Livermore, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$1,324,821 in total state tax credits to finance the new construction of 78 units of housing serving seniors with rents affordable to households earning 20%-60% of area median income (AMI). The project will be developed by Satellite Affordable Housing Associates and will be located in Senate District 7 and Assembly District 16.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers and HUD 202 PRAC Contracts. The project financing includes state funding from the No Place Like Home (NPLH) program of HCD.

Project Number CA-24-070

Project Name Pacific Avenue Senior Homes
Site Address: 3701 Pacific Avenue
Livermore, CA 94550
County: Alameda
Census Tract: 4515.01

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$1,324,821
Recommended:	\$2,500,000	\$1,324,821

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

Applicant Information

Applicant: Satellite Affordable Housing Associates
Contact: James Conlon
Address: 1835 Alcatraz Avenue
Berkeley, CA 94703
Phone: 510-809-2716
Email: jconlon@sahahomes.org

General Partner(s) / Principal Owner(s): Pac Avenue, LLC
General Partner Type: Nonprofit
Parent Company(ies): Satellite Affordable Housing Associates
Developer: Satellite Affordable Housing Associates
Investor/Consultant: Community Economics, Inc.
Management Agent(s): Satellite Affordable Housing Associates

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 79
 No. & % of Tax Credit Units: 78 100%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: HUD Section 8 Project-based Vouchers (5 Units - 6%) /
 HUD Section 202 PRAC Contracts (38 Units - 31%)

Information

Set-Aside: N/A
 Housing Type: Seniors
 Geographic Area: East Bay Region
 CTCAC Project Analyst: Dianne Myers

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 20% AMI:	16	20%
At or Below 30% AMI:	9	10%
At or Below 50% AMI:	43	40%
At or Below 60% AMI:	10	10%

Unit Mix

76 1-Bedroom Units
3 2-Bedroom Units
 79 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
16 1 Bedroom	20%	\$584
8 1 Bedroom	30%	\$876
14 1 Bedroom	50%	\$876
24 1 Bedroom	50%	\$1,460
5 1 Bedroom	50%	\$1,460
9 1 Bedroom	60%	\$1,752
1 2 Bedrooms	30%	\$1,052
1 2 Bedrooms	60%	\$2,103
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,914,906
Construction Costs	\$34,575,769
Construction Contingency	\$2,080,120
Architectural/Engineering	\$2,189,926
Const. Interest, Perm. Financing	\$4,589,008
Legal Fees	\$145,000
Reserves	\$2,491,092
Other Costs	\$3,665,682
Developer Fee	\$2,500,000
Total	\$57,151,502

Residential

Construction Cost Per Square Foot:	\$517
Per Unit Cost:	\$723,437
True Cash Per Unit Cost*:	\$661,223

Construction Financing

Source	Amount
Chase Bank	\$31,201,383
Alameda County: A1	\$6,234,012
City of Livermore	\$7,157,000
City of Livermore: Land Donation	\$4,914,906
AHP	\$1,000,000
General Partner Equity	\$100
Tax Credit Equity	\$2,375,000

Permanent Financing

Source	Amount
HUD Section 202	\$6,947,852
HCD: NPLH	\$6,257,776
Alameda County: A1	\$6,234,012
City of Livermore	\$7,157,000
City of Livermore: Land	\$4,914,906
AHP	\$1,000,000
General Partner Equity	\$100
Tax Credit Equity	\$24,639,856
TOTAL	\$57,151,502

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,777,777
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,777
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$1,324,821
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	\$0.94320
State Tax Credit Factor:	\$0.80000

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Seniors
Self-Score Final:	96.343%
CTCAC Final:	96.489%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$723,437. The applicant noted that the per unit cost is attributed to exceptionally high development costs in the Bay Area, including high cost of labor and historically high interest rates requiring additional construction interest reserve.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within 1½ miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	0
Senior project within ¾ mile of daily operated senior center/facility	2	2	2
Within ½ mile of medical clinic or hospital	3	3	3
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Enhanced Accessibility and Visitability	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

The Garvey, located at 1434 West Compton Boulevard in Compton, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the new construction of 74 units of housing serving special needs tenants with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by Coalition for Responsible Community Development and will be located in Senate District 35 and Assembly District 65.

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 Housing for a Healthy California (HHC) program of HCD.

Project Number CA-24-071

Project Name The Garvey
Site Address: 1434 West Compton Boulevard
Compton, CA 90220
County: Los Angeles
Census Tract: 5429

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

Applicant Information

Applicant: Coalition for Responsible Community Development
Contact: Van Scott
Address: 3101 South Grand Avenue
Los Angeles, CA 90007
Phone: 310-422-2561
Email: van@crcdpartners.com

General Partner(s) / Principal Owner(s): CRCD LLC
General Partner Type: Nonprofit
Parent Company(ies): Coalition for Responsible Community Development
Developer: Coalition for Responsible Community Development
Investor/Consultant: Enterprise Housing Credit Investments
Management Agent(s): The John Stewart Company

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 75
No. & % of Tax Credit Units: 74 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: National Housing Trust Fund (NHTF) / HUD Section 8 Project-based Vouchers (74 Units - 100%)

Information

Set-Aside: Special Needs
 Housing Type: Special Needs
 At least 20% 1-bedroom units and 10% larger than 1-bedroom units
 Type of Special Needs: Homeless
 Average Targeted Affordability of Special Needs Project Units: 30.00%
 % of Special Need Units: 37 units 50.00%
 Geographic Area: N/A
 CTCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	37	50%
At or Below 50% AMI:	37	40%

Unit Mix

30 SRO/Studio Units
 27 1-Bedroom Units
18 2-Bedroom Units
 75 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
30 SRO/Studio	30%	\$728
5 1 Bedroom	30%	\$780
2 2 Bedrooms	30%	\$936
22 1 Bedroom	50%	\$1,300
15 2 Bedrooms	50%	\$1,560
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,824,113
Construction Costs	\$35,773,406
Rehabilitation Costs	\$0
Construction Contingency	\$3,982,652
Relocation	\$0
Architectural/Engineering	\$2,936,154
Const. Interest, Perm. Financing	\$3,683,068
Legal Fees	\$595,000
Reserves	\$665,136
Other Costs	\$1,841,000
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$56,800,529

Residential

Construction Cost Per Square Foot:	\$584
Per Unit Cost:	\$757,340
True Cash Per Unit Cost*:	\$688,523

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank	\$20,925,000	Citibank	\$7,000,000
HCD: HHC	\$6,700,000	HCD: HHC	\$6,700,000
HCD: NHTF	\$15,441,359	HCD: NHTF	\$15,441,359
Land Donation	\$4,100,000	Land Donation	\$4,100,000
Deferred Costs	\$665,136	Deferred Developer Fee	\$1,061,320
Deferred Developer Fee	\$1,908,244	General Partner Equity	\$100
Tax Credit Equity	\$7,060,690	Tax Credit Equity	\$22,497,750
General Partner Equity	\$100	TOTAL	\$56,800,529

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,777,777
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,777
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Enterprise Housing Credit Investments
Federal Tax Credit Factor:	\$0.89991

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Special Needs
Self-Score Final:	84.701%
CTCAC Final:	84.665%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$757,340, The applicant noted that the per unit cost is attributed to prevailing wage requirements, labor shortages, and inflation impacts due to high volume of affordable housing under construction in the Los Angeles area.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/2 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 3/4 mile of public park or community center open to general public	2	2	2
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of an adult education campus or community college	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Health/behavioral services provided by licensed org. or individual	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Letzring Senior Housing, located at 4215 Letzring Lane in Bakersfield, requested \$2,337,358 in annual federal tax credits and \$7,781,588 in total state tax credits but is being recommended for \$2,500,000 in annual federal tax credits and \$6,076,797 in total state tax credits to finance the new construction of 148 units of housing serving seniors with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by Housing Authority of the County of Kern and will be located in Senate District 16 and Assembly District 35.

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

Project Number CA-24-072

Project Name Letzring Senior Housing
Site Address: 4215 Letzring Lane
Bakersfield, CA 93304
County: Kern
Census Tract: 31.13

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,337,358	\$7,781,588
Recommended:	\$2,500,000	\$6,076,797

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant: Letzring RAD LP
Contact: Stephen M. Pelz
Address: 601 24th Street, Suite B
Bakersfield, CA 93301
Phone: 661-631-8500
Email: spelz@kernha.org

General Partner(s) / Principal Owner(s): GEAHI Letzring RAD LLC
Kern Letzring Housing LLC

General Partner Type: Nonprofit
Parent Company(ies): Golden Empire Affordable Housing Inc
Housing Authority of the County of Kern
Housing Authority of the County of Kern

Developer: Housing Authority of the County of Kern
Investor/Consultant: Bank of America
Management Agent(s): Housing Authority of the County of Kern

Project Information

Construction Type: New Construction
Total # Residential Buildings: 15
Total # of Units: 150
No. & % of Tax Credit Units: 148 99%
Federal Set-Aside Elected: 40%/60% Average Income
Federal Subsidy: HUD Section 8 Project-based Vouchers (149 Units - 100%) / HOME / HOME-ARP

Information

Set-Aside: N/A
 Housing Type: Seniors
 Geographic Area: Central Valley Region
 CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	16	10%
At or Below 40% AMI:	33	20%
At or Below 50% AMI:	60	40%
At or Below 60% AMI:	27	15%
At or Below 80% AMI:	12	5%

Unit Mix

12 SRO/Studio Units
 137 1-Bedroom Units
1 3-Bedroom Units
 150 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 SRO/Studio	30%	\$433
4 SRO/Studio	40%	\$578
2 SRO/Studio	50%	\$722
2 SRO/Studio	60%	\$722
1 SRO/Studio	80%	\$722
16 1 Bedroom	30%	\$464
36 1 Bedroom	40%	\$619
38 1 Bedroom	50%	\$773
36 1 Bedroom	60%	\$773
11 1 Bedroom	80%	\$773
1 3 Bedrooms	Manager's Unit	\$0
1 SRO/Studio	Market Rate Unit	\$722

Project Cost Summary at Application

Land and Acquisition	\$1,600,000
Construction Costs	\$36,000,000
Rehabilitation Costs	\$0
Construction Contingency	\$2,000,000
Relocation	\$225,000
Architectural/Engineering	\$900,000
Const. Interest, Perm. Financing	\$2,928,500
Legal Fees	\$155,000
Reserves	\$400,000
Other Costs	\$2,607,124
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$49,315,624

Residential

Construction Cost Per Square Foot:	\$376
Per Unit Cost:	\$328,771
True Cash Per Unit Cost*:	\$324,506

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Bank of America	\$30,500,000	CCRC	\$9,300,000
City: HOME	\$1,000,000	City: HOME	\$1,000,000
City: HOME-ARP ¹	\$1,000,000	City: HOME-ARP ¹	\$1,000,000
City: AHTF ²	\$1,997,528	City: AHTF ²	\$1,997,657
Housing Authority ³	\$7,000,000	Housing Authority ³	\$7,000,000
Deferred Costs	\$2,582,414	Housing Authority ⁴	\$2,200,000
Tax Credit Equity	\$5,235,682	Deferred Developer Fee	\$639,685
		Tax Credit Equity	\$26,178,282
		TOTAL	\$49,315,624

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

¹City of Bakersfield: HOME-American Rescue Plan

²City of Bakersfield: Affordable Housing Trust Fund

³Housing Authority of the County of Kern: Reserve Loan

⁴Housing Authority of the County of Kern: Developer Loan

Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,965,466
130% High Cost Adjustment:	No
Applicable Fraction:	99.33%
Qualified Basis:	\$27,777,778
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$6,076,797
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Bank of America
Federal Tax Credit Factor:	\$0.85000
State Tax Credit Factor:	\$0.81100

The “as if vacant” land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Seniors
Self-Score Final:	84.701%
CTCAC Final:	81.887%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Summer Oaks, located at 175 West Verano Avenue in Sonoma, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$8,555,188 in total state tax credits to finance the new construction of 71 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by MidPen Housing Corporation and will be located in Senate District 3 and Assembly District 4.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from Joe Serna, Jr. Farmworker Housing Grant (FWHG) Program and Infill Infrastructure Grant (IIG) programs of HCD.

Project Number CA-24-073

Project Name Summer Oaks

Site Address: 175 West Verano Avenue
Sonoma, CA 95476

County: Sonoma

Census Tract: 1502.05

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$8,555,188
Recommended:	\$2,500,000	\$8,555,188

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

Applicant Information

Applicant: MidPen Housing Corporation

Contact: Joanna Carman

Address: 303 Vintage Park Drive, Suite 250
Foster City, CA 94404

Phone: 831-707-2141

Email: joanna.carman@midpen-housing.org

General Partner(s) / Principal Owner(s): MP Verano LLC

General Partner Type: Nonprofit

Parent Company(ies): MidPen Housing Corporation

Developer: MidPen Housing Corporation

Investor/Consultant: California Housing Partnership

Management Agent(s): MidPen Property Management Corporation

Project Information

Construction Type: New Construction

Total # Residential Buildings: 6

Total # of Units: 72

No. & % of Tax Credit Units: 71 100%

Federal Set-Aside Elected: 40%/60%

Federal Subsidy: HUD Section 8 Project-based Vouchers (18 Units - 25%) / HOME / CDBG

Information

Set-Aside: Rural apportionment (HOME)
 Housing Type: Large Family
 Geographic Area: N/A
 CTCAC Project Analyst: Dianne Myers

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	11	15%
At or Below 40% AMI:	11	15%
At or Below 50% AMI (Rural):	35	45%
At or Below 60% AMI:	14	15%

Unit Mix

32 1-Bedroom Units
 22 2-Bedroom Units
18 3-Bedroom Units
 72 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 1 Bedroom	30%	\$778
1 2 Bedrooms	30%	\$933
4 1 Bedroom	30%	\$778
3 2 Bedrooms	30%	\$933
2 3 Bedrooms	30%	\$1,078
3 1 Bedroom	40%	\$1,038
2 2 Bedrooms	40%	\$1,245
1 3 Bedrooms	40%	\$1,438
5 1 Bedroom	40%	\$1,038
11 1 Bedroom	50%	\$1,297
5 1 Bedroom	50%	\$1,297
10 2 Bedrooms	50%	\$1,556
9 3 Bedrooms	50%	\$1,798
3 1 Bedroom	60%	\$1,557
5 2 Bedrooms	60%	\$1,867
6 3 Bedrooms	60%	\$2,157
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$5,618,126
Construction Costs	\$34,992,543
Rehabilitation Costs	\$0
Construction Contingency	\$2,189,981
Relocation	\$0
Architectural/Engineering	\$3,386,390
Const. Interest, Perm. Financing	\$3,707,075
Legal Fees	\$219,000
Reserves	\$288,104
Other Costs	\$4,206,791
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$57,108,010

Residential

Construction Cost Per Square Foot:	\$524
Per Unit Cost:	\$793,167
True Cash Per Unit Cost*:	\$789,000

Construction Financing

<u>Source</u>	<u>Amount</u>
Chase Bank	\$26,889,700
HCD: Joe Serna FWHG	\$16,469,444
HCD: IIG	\$3,611,400
Sonoma County: HOME	\$1,834,186
Sonoma County: CDBG	\$935,758
AHP	\$1,000,000
Deferred Costs	\$1,883,504
Deferred Developer Fee	\$300,000
Tax Credit Equity	\$4,184,018

Permanent Financing

<u>Source</u>	<u>Amount</u>
Chase Bank	\$2,143,000
HCD: Joe Serna FWHG	\$18,299,382
HCD: IIG	\$3,611,400
Sonoma County: HOME	\$1,834,186
Sonoma County: CDBG	\$935,758
AHP	\$1,000,000
Deferred Developer Fee	\$300,000
Tax Credit Equity	\$28,984,284
TOTAL	\$57,108,010

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$28,517,292
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$28,517,292
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$8,555,188
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.88404
State Tax Credit Factor:	\$0.80458

The “as if vacant” land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	77.761%
CTCAC Final:	77.761%

Significant Information / Additional Conditions

Staff noted a per unit cost of \$793,167. The applicant noted that the per unit cost is attributed to extensive off-site improvements such as constructing off-site road, infrastructure, utility improvements, and County of San Mateo prevailing wage requirements.

Local Reviewing Agency

The Local Reviewing Agency, Sonoma County Community Development, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarde
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	3	3	3
Within 1 mile of a public middle school	2	2	2
Within 1 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Westside Subdivision, located at 18275 Willow Avenue in Tuolumne, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the new construction of 30 units of housing serving families with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by Tuolumne Economic Development Authority Inc. (TEDA) and will be located in Senate District 4 and Assembly District 8.

Project Number CA-24-077

Project Name Westside Subdivision
Site Address: 18275 Willow Avenue
Tuolumne, CA 95379
County: Tuolumne
Census Tract: 0032.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

Applicant Information

Applicant: Westside Subdivision LP
Contact: Darryl Tinkle
Address: 17807 Tuolumne Road
Tuolumne, CA 95379
Phone: 209-928-9391
Email: dtinkle@tedainc.com

General Partner(s) / Principal Owner(s): Tuolumne Economic Development Authority Inc.
General Partner Type: Nonprofit
Parent Company(ies): Tuolumne Band of Me-Wuk Indians
Developer: Tuolumne Economic Development Authority Inc.
Investor/Consultant: RBC Community Investments
Management Agent(s): Barker Management Inc.
Tuolumne Economic Development Authority Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 30
Total # of Units: 30
No. & % of Tax Credit Units: 30 100%
Federal Set-Aside Elected: 40%/60% Average Income
Federal Subsidy: None.

Information

Set-Aside: Rural (Native American apportionment)
Housing Type: Large Family
Geographic Area: N/A
CTCAC Project Analyst: Jacob Couch

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	6	20%
At or Below 40% AMI:	6	20%
At or Below 50% AMI (Rural):	12	40%
At or Below 80% AMI:	6	20%

Unit Mix

20 3-Bedroom Units
10 4-Bedroom Units
<u>30 Total Units</u>

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
4 3 Bedrooms	30%	\$756
4 3 Bedrooms	40%	\$1,008
8 3 Bedrooms	50%	\$1,033
4 3 Bedrooms	80%	\$1,633
2 4 Bedrooms	30%	\$843
2 4 Bedrooms	40%	\$1,124
4 4 Bedrooms	50%	\$1,152
2 4 Bedrooms	80%	\$1,978

Project Cost Summary at Application

Land and Acquisition	\$0
Construction Costs	\$21,471,118
Rehabilitation Costs	\$0
Construction Contingency	\$1,073,556
Relocation	\$0
Architectural/Engineering	\$731,456
Const. Interest, Perm. Financing	\$117,900
Legal Fees	\$51,500
Reserves	\$45,262
Other Costs	\$934,725
Developer Fee	\$600,000
Commercial Costs	\$0
Total	\$25,025,517

Residential

Construction Cost Per Square Foot:	\$418
Per Unit Cost:	\$834,184
True Cash Per Unit Cost*:	\$834,184

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
TEDA ¹	\$5,025,517	TEDA ¹	\$5,025,517
Tax Credit Equity	\$20,000,000	Tax Credit Equity	\$20,000,000
		TOTAL	\$25,025,517

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

¹Tuolumne Economic Development Authority

Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,959,288
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$28,547,074
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$600,000
Investor/Consultant:	RBC Community Investments
Federal Tax Credit Factor:	\$0.80000

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	64.678%
CTCAC Final:	64.678%

Significant Information / Additional Conditions

Staff noted a per-unit cost of \$834,184. The applicant noted that the per unit cost is attributed to rising construction costs related to site work, required infrastructure, and vertical construction.

Pursuant to CTCAC Regulation Section 10326(g)(5), general partners and management companies lacking documented experience with Section 42 requirements using the minimum scoring standards at Section 10325(c)(2)(A) and (B) shall be required to complete training as prescribed by CTCAC prior to a project's placing in service.

The project requested and was granted a waiver for the manager's unit requirement under CTCAC regulation section 10325(f)(7)(J). Tuolumne Economic Development Authority (TEDA) staff and property managers will be available to assist tenants during regular business hours at their offices, located 0.7 miles north of the proposed project. After-hours services will be provided via call-in line that links to requisite staff and the Tuolumne Rancheria Tribal Security. TEDA has committed that there will be an equivalent number of full-time property management staff (at least one of whom is a property manager) and an equivalent number of desk or security staff who are not tenants at the TEDA office. All staff or contractors performing desk or security work shall be knowledgeable of how the property's fire system operates and be trained in, and have participated in, fire evacuation drills for tenants. CTCAC reserves the right to require that one or more on-site managers' units be provided and occupied by property management staff if, in its sole discretion, it determines as part of any on-site inspection that the project has not been adequately operated and/or maintained.

Local Reviewing Agency

The Local Reviewing Agency, Tuolumne County, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within ¾ mile of a public elementary school	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	2	2	2
Highest or High Resource Area	8	8	8
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Highland Manor, located at 1128 West Highland Street in Santa Ana, requested and is being recommended for a reservation of \$481,847 in annual federal tax credits to finance the acquisition and rehabilitation of 12 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Valued Housing II, LLC and is located in Senate District 34 and Assembly District 68.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number CA-24-082

Project Name Highland Manor
Site Address: 1128 West Highland Street
Santa Ana, CA 92703
County: Orange
Census Tract: 749.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$481,847	\$0
Recommended:	\$481,847	\$0

Applicant Information

Applicant: Highland Manor II, L.P.
Contact: Peter Barker
Address: 1101 East Orangewood Avenue, Suite 200
Anaheim, CA 92805
Phone: 714-533-3450
Email: pbarker@barkermgt.com

General Partner(s) / Principal Owner(s): Lutheran Gardens Corp.
VH Acquisitions III, LLC
General Partner Type: Joint Venture
Parent Company(ies): Lutheran Gardens Corp.
Valued Housing II LLC
Developer: Valued Housing II, LLC
Investor/Consultant: R4 Capital LLC
Management Agent(s): Barker Management, Inc.

Project Information

Construction Type: Acquisition and Rehabilitation
 Total # Residential Buildings: 1
 Total # of Units: 12
 No. & % of Tax Credit Units: 12 100%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: HUD Section 8 Project-based Contract (12 Units - 100%)

Information

Set-Aside: At-Risk
 Housing Type: At-Risk
 Geographic Area: N/A
 CTCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	2	15%
At or Below 40% AMI:	2	15%
At or Below 50% AMI:	5	40%
At or Below 60% AMI:	3	25%

Unit Mix

12 3-Bedroom Units
 12 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 3 Bedrooms	30%	\$1,231
2 3 Bedrooms	40%	\$1,641
5 3 Bedrooms	50%	\$2,051
3 3 Bedrooms	60%	\$2,462

Project Cost Summary at Application

Land and Acquisition	\$6,970,000
Construction Costs	\$0
Rehabilitation Costs	\$1,356,524
Construction Contingency	\$204,252
Relocation	\$171,570
Architectural/Engineering	\$242,000
Const. Interest, Perm. Financing	\$1,211,175
Legal Fees	\$250,000
Reserves	\$369,920
Other Costs	\$718,865
Developer Fee	\$700,602
Commercial Costs	\$0
Total	\$12,194,908

Residential

Construction Cost Per Square Foot:	\$100
Per Unit Cost:	\$1,016,242
True Cash Per Unit Cost*:	\$728,170

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank	\$3,480,000	Citibank	\$3,480,000
Seller Carryback	\$5,604,768	Seller Carryback	\$3,456,865
Net Operating Income	\$349,375	Net Operating Income	\$349,375
Acquired Reserves	\$523,860	Acquired Reserves	\$523,860
Deferred Costs	\$351,920	Tax Credit Equity	\$4,384,808
Deferred Developer Fee	\$350,302	TOTAL	\$12,194,908
Tax Credit Equity	\$1,534,683		

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$1,853,220
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$6,625,500
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$2,409,186
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$6,625,500
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$216,827
Maximum Annual Federal Credit, Acquisition:	\$265,020
Total Maximum Annual Federal Credit:	\$481,847
Approved Developer Fee (in Project Cost & Eligible Basis):	\$700,602
Investor/Consultant:	R4 Capital LLC
Federal Tax Credit Factor:	\$0.91000

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	At-Risk
Self-Score Final:	36.216%
CTCAC Final:	36.216%

Significant Information / Additional Conditions

Development costs are approximately \$728,170 per unit. The factors affecting this include high acquisition cost, significant relocation cost, and fixed costs (such as legal fees, financing fees, etc.) being spread out over the small number of project units.

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

The applicant's estimate of contractor profit, overhead and general requirement costs exceeds CTCAC limits. The applicant is cautioned that at final review, prior to the issuance of the IRS 8609 forms, any costs or eligible basis that exceeds the limits will not be allowed.

The applicant's estimate for annual replacement reserves is below the published per unit minimum required for this type of project. Under regulation section 10327(a), initial application errors of \$100,000 or less shall be deemed covered by the contingency line item. At the submission of the next required updated CTCAC application and all subsequent submissions to CTCAC, the applicant must meet the requirement of regulation section 10327(c)(7)(a).

As allowed for projects with less than 16 units by regulation section 10325(f)(7)(J), the project plans do not include a manager unit.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/8 mile of transit, service every 30 minutes in rush hours	6	6	6
Within 3/4 mile of public park or community center open to general public	2	2	2
Within 1/2 mile of a neighborhood market of at least 5,000 sf	3	3	3
Within 1 mile of a public high school	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 30 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL REAPPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Casa Longwood, located at 2535 South Longwood Avenue in Los Angeles, requested and is being recommended for a reservation of \$547,138 in annual federal tax credits to finance the acquisition and rehabilitation of 19 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Valued Housing II, LLC and is located in Senate District 28 and Assembly District 55.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number CA-24-083

Project Name Casa Longwood
Site Address: 2535 South Longwood Avenue
Los Angeles, CA 90016
County: Los Angeles
Census Tract: 2197.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$547,138	\$0
Recommended:	\$547,138	\$0

Applicant Information

Applicant: Casa Longwood II, L.P.
Contact: Peter Barker
Address: 1101 East Orangewood Avenue, Suite 200
Anaheim, CA 92805
Phone: 714-533-3450
Email: pbarker@barkermgt.com

General Partner(s) / Principal Owner(s): Lutheran Gardens Corp.
VH Acquisitions III, LLC
General Partner Type: Joint Venture
Parent Company(ies): Lutheran Gardens Corp.
Valued Housing II LLC
Developer: Valued Housing II, LLC
Investor/Consultant: R4 Capital LLC
Management Agent(s): Barker Management, Inc.

Project Information

Construction Type: Acquisition and Rehabilitation
Total # Residential Buildings: 1
Total # of Units: 20
No. & % of Tax Credit Units: 19 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Contract (19 Units - 100%)

Information

Set-Aside: At-Risk
Housing Type: At-Risk
Geographic Area: N/A
CTCAC Project Analyst: Nick White

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	2	10%
At or Below 40% AMI:	3	15%
At or Below 50% AMI:	8	40%
At or Below 60% AMI:	6	30%

Unit Mix

8 SRO/Studio Units
10 1-Bedroom Units
<u>2 2-Bedroom Units</u>
20 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 1 Bedroom	30%	\$780
1 2 Bedrooms	30%	\$936
1 SRO/Studio	40%	\$971
2 1 Bedroom	40%	\$1,040
4 SRO/Studio	50%	\$1,213
4 1 Bedroom	50%	\$1,300
3 SRO/Studio	60%	\$1,456
3 1 Bedroom	60%	\$1,560
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$5,490,000
Construction Costs	\$0
Rehabilitation Costs	\$2,068,289
Construction Contingency	\$281,827
Relocation	\$215,215
Architectural/Engineering	\$306,000
Const. Interest, Perm. Financing	\$785,675
Legal Fees	\$250,000
Reserves	\$214,520
Other Costs	\$820,373
Developer Fee	\$744,149
Commercial Costs	\$0
Total	\$11,176,048

Residential

Construction Cost Per Square Foot:	\$129
Per Unit Cost:	\$558,802
True Cash Per Unit Cost*:	\$448,595

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank	\$3,180,000	Citibank	\$3,180,000
Seller Carryback	\$4,504,156	Seller Carryback	\$2,204,156
Acquired Reserves	\$625,040	Acquired Reserves	\$625,040
Net Operating Income	\$187,897	Net Operating Income	\$187,897
Deferred Costs	\$129,243	Tax Credit Equity	\$4,978,955
Deferred Developer Fee	\$558,112	TOTAL	\$11,176,048
Tax Credit Equity	\$1,991,600		

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$3,983,980
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$4,714,500
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$3,983,980
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$4,714,500
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$358,558
Maximum Annual Federal Credit, Acquisition:	\$188,580
Total Maximum Annual Federal Credit:	\$547,138
Approved Developer Fee (in Project Cost & Eligible Basis):	\$744,149
Investor/Consultant:	R4 Capital LLC
Federal Tax Credit Factor:	\$0.91000

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	At-Risk
Self-Score Final:	26.832%
CTCAC Final:	26.832%

Significant Information / Additional Conditions

The applicant's estimate of contractor profit, overhead and general requirement costs exceeds CTCAC limit of 14%. The applicant is cautioned that at 180 Day Readiness review, prior to the issuance of the IRS 8609 forms, any costs or eligible basis that exceeds the limits will not be allowed.

The applicant's estimate for annual replacement reserves is below the published per unit minimum required for this type of project. Under regulation section 10327(a) initial application errors of \$100,000 or less shall be deemed covered by the contingency line item. At the submission of the next required updated CTCAC application, and all subsequent submissions to CTCAC, the applicant must meet the requirement of regulation section 10327(c)(7)(a).

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Los Angeles, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/8 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 3/4 mile of public park or community center open to general public	2	2	2
Within 1/2 mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 30 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Cherry Street Commons, located at 1244 Cherry Street in San Carlos, requested and is being recommended for a reservation of \$2,085,934 in annual federal tax credits to finance the new construction of 32 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Eden Housing, Inc. and will be located in Senate District 13 and Assembly District 21.

The project financing includes state funding from the Infill Infrastructure Grant (IIG) program of HCD.

Project Number CA-24-085

Project Name Cherry Street Commons
Site Address: 1244 Cherry Street
San Carlos, CA 94070
County: San Mateo
Census Tract: 6092.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,085,934	\$0
Recommended:	\$2,085,934	\$0

Applicant Information

Applicant: Cherry Street Commons L.P.
Contact: Andrea Osgood
Address: 22645 Grand Street
Hayward, CA 94541
Phone: 510-247-8103
Email: aosgood@edenhousing.org

General Partner(s) / Principal Owner(s): Eden Cherry Street, LLC
HIP Housing Development Corporation
General Partner Type: Nonprofit
Parent Company(ies): Eden Investments, Inc.
HIP Housing Development Corporation
Developer: Eden Housing, Inc.
Investor/Consultant: California Housing Partnership
Management Agent(s): Eden Housing Management, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 33
No. & % of Tax Credit Units: 32 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: None.

Information

Set-Aside: N/A
 Housing Type: Large Family
 Geographic Area: South and West Bay Region
 CTCAC Project Analyst: Cynthia Compton

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	10	30%
At or Below 50% AMI:	11	30%
At or Below 60% AMI:	11	30%

Unit Mix

15 1-Bedroom Units
9 2-Bedroom Units
9 3-Bedroom Units
<u>33 Total Units</u>

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 1 Bedroom	30%	\$1,101
2 2 Bedrooms	30%	\$1,322
2 3 Bedrooms	30%	\$1,527
6 1 Bedroom	50%	\$1,836
2 2 Bedrooms	50%	\$2,203
3 3 Bedrooms	50%	\$2,545
3 1 Bedroom	60%	\$2,203
4 2 Bedrooms	60%	\$2,644
4 3 Bedrooms	60%	\$3,054
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$6,011,400
Construction Costs	\$21,165,885
Rehabilitation Costs	\$0
Construction Contingency	\$1,560,827
Relocation	\$600,000
Architectural/Engineering	\$1,560,574
Const. Interest, Perm. Financing	\$3,324,931
Legal Fees	\$160,000
Reserves	\$158,462
Other Costs	\$1,337,595
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$38,379,674

Residential

Construction Cost Per Square Foot:	\$658
Per Unit Cost:	\$1,163,020
True Cash Per Unit Cost*:	\$1,116,354

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
US Bank	\$17,740,814	US Bank	\$2,783,000
HCD: IIG	\$2,575,644	HCD: IIG	\$2,575,644
City of San Carlos	\$12,860,000	City of San Carlos	\$12,860,000
Seller Carryback	\$1,540,000	Seller Carryback	\$1,540,000
Deferred Costs	\$1,936,563	Tax Credit Equity	\$18,621,030
Tax Equity Credit	\$1,726,653	TOTAL	\$38,379,674

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$17,828,496
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$23,177,045
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,085,934
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.89270

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	86.992%
CTCAC Final:	86.770%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$1,116,354. The applicant noted that factors impacting the per unit cost include a requirement for Type IIIA construction, vapor barrier installation, enhanced design and building elements required by the City, and prevailing wage requirements.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of San Carlos, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1/2 mile of a weekly farmers' market operating at least 5 months/year	2	2	2
Within 1/2 mile of a public middle school	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Highest or High Resource Area	8	8	8
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL REAPPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Sierra Madre Apartments, located at 421 Leavenworth Street in San Francisco, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$8,200,000 in total state tax credits to finance the acquisition and rehabilitation of 46 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Tenderloin Neighborhood Development Corporation and is located in Senate District 11 and Assembly District 17.

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

Project Number CA-24-087

Project Name Sierra Madre Apartments
Site Address: 421 Leavenworth Street
San Francisco, CA 94102
County: San Francisco
Census Tract: 122.04

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$8,200,000
Recommended:	\$2,500,000	\$8,200,000

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

Applicant Information

Applicant: Tenderloin Neighborhood Development Corporation
Contact: Katherine Lamont
Address: 201 Eddy Street
San Francisco, CA 94102
Phone: 415-358-3933
Email: klamont@tndc.org

General Partner(s) / Principal Owner(s): Sierra Madre GP LLC
General Partner Type: Nonprofit
Parent Company(ies): Sierra Madre GP LLC
Developer: Tenderloin Neighborhood Development Corporation
Investor/Consultant: California Housing Partnership
Management Agent(s): Tenderloin Neighborhood Development Corporation

Project Information

Construction Type: Acquisition and Rehabilitation
Total # Residential Buildings: 1
Total # of Units: 47
No. & % of Tax Credit Units: 46 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: CDBG / HUD Section 8 Project-based Vouchers (11 Units - 23%)

Information

Set-Aside: N/A
 Housing Type: SRO
 Geographic Area: San Francisco County
 CTCAC Project Analyst: Nick White

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	26	55%
At or Below 50% AMI:	16	30%
At or Below 60% AMI:	4	5%

Unit Mix

43 SRO/Studio Units
4 1-Bedroom Units
 47 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
11 SRO/Studio	30%	\$955
14 SRO/Studio	30%	\$955
1 1 Bedroom	30%	\$1,005
14 SRO/Studio	50%	\$1,675
2 1 Bedroom	50%	\$1,785
4 SRO/Studio	60%	\$1,713
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,994,732
Construction Costs	\$0
Rehabilitation Costs	\$23,413,873
Construction Contingency	\$4,081,961
Relocation	\$0
Architectural/Engineering	\$1,297,337
Const. Interest, Perm. Financing	\$4,437,143
Legal Fees	\$101,033
Reserves	\$223,528
Other Costs	\$1,237,700
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$41,287,307

Residential

Construction Cost Per Square Foot:	\$1,151
Per Unit Cost:	\$878,453
True Cash Per Unit Cost*:	\$878,453

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Silicon Valley Bank	\$29,236,871	MOHCD: CDBG ¹	\$2,804,437
MOHCD: CDBG ¹	\$2,804,437	Accrued Interest	\$244,707
Accrued Interest	\$244,707	General Partner Equity	\$2,146,106
Deferred Costs	\$1,656,427	Historic Tax Credit Equity	\$6,296,691
General Partner Equity	\$2,146,106	Tax Credit Equity	\$29,795,366
Tax Credit Equity	\$5,198,759	TOTAL	\$41,287,307

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

¹San Francisco Mayor's Office of Housing and Community Development: Community Development Block Grant

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$26,686,955
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$2,519,317
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$26,686,955
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$2,519,317
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$2,399,227
Maximum Annual Federal Credit, Acquisition:	\$100,773
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$8,200,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.90973
State Tax Credit Factor:	\$0.86000

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	SRO
Self-Score Final:	22.383%
CTCAC Final:	22.531%

Significant Information / Additional Conditions

Development costs are roughly \$878,453 per unit. The factors affecting this cost include site demolition, seismic upgrades, electrification, lack of economies of scale, labor and local hiring requirements, and additional requirements due to the historic nature of the facade.

This project requested and received a waiver to underwrite the project with the purchase price of \$2,804,437, exceeding appraised value of \$2,800,000. The purchase price does not exceed the sum of the third-party debt encumbering the property that will be assumed or paid off.

The project's 3-month operating reserve is less than the amount required under regulation section 10327(c)(7)(B). Under regulation section 10327(a), initial application errors of up to 50% of the contingency line shall be deemed covered by the contingency line item. However, at the submission of the next updated application required by CTCAC, and all subsequent submissions to CTCAC, including the placed-in-service submission for the issuance of the IRS 8609 forms, the applicant must fund the 3-month operating reserve at a level that meets the requirement of regulation section 10327(c)(7)(B).

This SRO project requested and was granted a waiver to use 5% vacancy rate for all units. This is supported by the project's historical vacancy rate.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/8 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	0
In-unit high speed internet service	2	2	0
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Historic Preservation	1	1	1
Revitalization Area Project	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Cambern Avenue Apartments, located at 29366 and 29377 3rd Street in Lake Elsinore, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$2,949,121 in total state tax credits to finance the new construction of 75 units of housing serving families with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by Community HousingWorks and will be located in Senate District 32 and Assembly District 63.

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 Permanent Local Housing Allocation (PLHA) program of HCD.

Project Number CA-24-092

Project Name Cambern Avenue Apartments
Site Address: 29366 and 29377 3rd Street
Lake Elsinore, CA 92532
County: Riverside
Census Tract: 427.5

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$2,949,121
Recommended:	\$2,500,000	\$2,949,121

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

Applicant Information

Applicant: Community HousingWorks
Contact: Kevin Leichner
Address: 3111 Camino Del Rio N, Suite 800
San Diego, CA 92108
Phone: 619-795-0213
Email: kleichner@chworks.org

General Partner(s) / Principal Owner(s): CHW Cambern Avenue, LLC
General Partner Type: Nonprofit
Parent Company(ies): Community HousingWorks
Developer: Community HousingWorks
Investor/Consultant: California Housing Partnership
Management Agent(s): CONAM Management Corp

Project Information

Construction Type: New Construction
Total # Residential Buildings: 2
Total # of Units: 76
No. & % of Tax Credit Units: 75 100%
Federal Set-Aside Elected: 40%/60% Average Income
Federal Subsidy: HUD Section 8 Project-based Vouchers (37 Units - 49%)

Information

Set-Aside: N/A
 Housing Type: Large Family
 Geographic Area: Inland Empire Region
 CTCAC Project Analyst: Chris Saenz

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	23	30%
At or Below 50% AMI:	37	40%
At or Below 80% AMI:	15	20%

Unit Mix

26 1-Bedroom Units
30 2-Bedroom Units
<u>20 3-Bedroom Units</u>
76 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
8 1 Bedroom	50%	\$961
15 2 Bedrooms	50%	\$1,152
5 2 Bedrooms	80%	\$1,843
10 3 Bedrooms	80%	\$2,132
18 1 Bedroom	30%	\$577
3 2 Bedrooms	30%	\$691
2 3 Bedrooms	30%	\$799
6 2 Bedrooms	50%	\$1,152
8 3 Bedrooms	50%	\$1,332
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,588,707
Construction Costs	\$26,432,357
Rehabilitation Costs	\$0
Construction Contingency	\$1,684,173
Relocation	\$0
Architectural/Engineering	\$1,237,000
Const. Interest, Perm. Financing	\$4,813,725
Legal Fees	\$178,618
Reserves	\$408,051
Other Costs	\$3,883,867
Developer Fee	\$2,800,000
Total	\$46,026,498

Residential

Construction Cost Per Square Foot:	\$339
Per Unit Cost:	\$605,612
True Cash Per Unit Cost*:	\$595,171

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Banner Bank	\$30,035,000	Banner Bank	\$9,348,000
County of Riverside: PLHA	\$4,000,000	County of Riverside: PLHA	\$4,000,000
City of Lake Elsinore	\$7,015,482	City of Lake Elsinore	\$7,015,482
Waived Impact Fees	\$493,500	Waived Impact Fees	\$493,500
Deferred Costs	\$1,671,636	General Partner Equity	\$100
General Partner Equity	\$100	Deferred Developer Fee	\$300,000
Deferred Developer Fee	\$300,000	Tax Credit Equity	\$24,869,416
Tax Credit Equity	\$2,510,780	TOTAL	\$46,026,498

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,777,778
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,778
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$2,949,121
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,800,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.89334
State Tax Credit Factor:	\$0.85991

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	71.451%
CTCAC Final:	71.451%

Significant Information / Additional Conditions:

The project will restrict 19 (25%) of the units to serve special needs tenants, consisting of individuals who are homeless or at risk of homelessness.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, The City of Lake Elsinore, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of transit station or public bus stop	4	4	4
Within ¾ mile of public park or community center open to general public	2	2	2
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ¾ mile of a public elementary school	2	2	2
Within 1 mile of medical clinic or hospital	2	2	2
Within ½ mile of a pharmacy	2	2	2
Highest or High Resource Area	8	8	8
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 100 hrs per 100 bdrms	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Hill Street, located at 876, 884, 898, and 900 El Camino Real in Belmont, requested and is being recommended for a reservation of \$2,014,263 in annual federal tax credits to finance the new construction of 36 units of housing serving families with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by Linc Housing Corporation and will be located in Senate District 13 and Assembly District 21.

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

Project Number CA-24-103

Project Name Hill Street
Site Address: 876, 884, 898, and 900 El Camino Real
Belmont, CA 94002
County: San Mateo
Census Tract: 6087

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,014,263	\$0
Recommended:	\$2,014,263	\$0

Applicant Information

Applicant: Linc Housing Corporation
Contact: Cecilia Ngo
Address: 3590 Elm Avenue
Long Beach, CA 90807
Phone: (562)564-1134
Email: cngo@linchousing.org

General Partner(s) / Principal Owner(s): LINC-Hill Street, LLC
General Partner Type: Nonprofit
Parent Company(ies): Linc Housing Corporation
Developer: Linc Housing Corporation
Investor/Consultant: Enterprise
Management Agent(s): WinnResidential

Project Information

Construction Type: New Construction
Total # Residential Buildings: 2
Total # of Units: 37
No. & % of Tax Credit Units: 36 100%
Federal Set-Aside Elected: 40%/60% Average Income
Federal Subsidy: HOME / CDBG / HUD Section 8 Project-based Vouchers (18 Units - 49%)

Information

Set-Aside: Nonprofit (Homeless assistance)
Housing Type: Large Family
Geographic Area: N/A
CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AMI:	22	60%
At or Below 70% AMI:	7	15%
At or Below 80% AMI:	7	15%

Unit Mix

18 1-Bedroom Units
9 2-Bedroom Units
10 3-Bedroom Units
<u>37 Total Units</u>

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
18 1 Bedroom	30%	\$1,101
2 2 Bedrooms	30%	\$1,322
2 3 Bedrooms	30%	\$1,527
7 2 Bedrooms	70%	\$3,085
7 3 Bedrooms	80%	\$4,073
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,994,879
Construction Costs	\$26,510,274
Rehabilitation Costs	\$0
Construction Contingency	\$1,772,744
Relocation	\$0
Architectural/Engineering	\$1,650,000
Const. Interest, Perm. Financing	\$3,418,537
Legal Fees	\$170,000
Reserves	\$540,088
Other Costs	\$2,924,426
Developer Fee	\$2,800,000
Commercial Costs	\$0
Total	\$44,780,948

Residential

Construction Cost Per Square Foot:	\$538
Per Unit Cost:	\$1,210,296
True Cash Per Unit Cost*:	\$1,075,161

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo	\$22,047,526	CCRC	\$6,204,000
Housing Trust of Silicon Valley	\$1,784,500	Housing Trust of Silicon Valley	\$1,784,500
County of San Mateo: AHF R.12	\$7,000,000	County of San Mateo: AHF R.12	\$7,000,000
County of San Mateo: HOME	\$1,994,000	County of San Mateo: HOME	\$1,994,000
County of San Mateo: AHF ¹	\$1,900,000	County of San Mateo: AHF ¹	\$1,900,000
City of Belmont	\$1,000,000	City of Belmont	\$1,000,000
City of Belmont: Land Donation	\$4,000,000	City of Belmont: Land Donation	\$4,000,000
FHLB: AHP	\$540,000	FHLB: AHP	\$540,000
Deferred Costs	\$1,740,988	Deferred Developer Fee	\$1,000,000
Deferred Developer Fee	\$1,000,000	General Partner Equity	\$100
General Partner Equity	\$100	Tax Credit Equity	\$19,358,348
Tax Credit Equity	\$1,773,835	TOTAL	\$44,780,948

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

¹County of San Mateo AHF R.6 & 7

Determination of Credit Amount(s)

Requested Eligible Basis:	\$17,215,921
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$22,380,697
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,014,263
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,800,000
Investor/Consultant:	Enterprise
Federal Tax Credit Factor:	\$0.96106

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	94.758%
CTCAC Final:	93.532%

Significant Information / Additional Conditions

Staff noted a development cost of \$1,075,161 per unit. The applicant noted that the per unit cost is attributed to high costs associated with the Bay Area, building design factors, and prevailing wages.

The project will restrict 18 (50%) of the units to serve special needs tenants, consisting of homeless individuals and persons with physical, mental, and developmental disabilities.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/2 mile of a pharmacy	2	2	2
Highest or High Resource Area	8	8	8
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Central Sacramento Studios II, located at 815 11th Street in Sacramento, requested and is being recommended for a reservation of \$2,497,453 in annual federal tax credits to finance the new construction of 51 units of housing serving special needs tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Danco Communities and will be located in Senate District 8 and Assembly District 6.

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

Project Number	CA-24-116	
Project Name	Central Sacramento Studios II	
Site Address:	815 11th Street Sacramento, CA 95814	
County:	Sacramento	
Census Tract:	11.03	
Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,497,453	\$0
Recommended:	\$2,497,453	\$0

Applicant Information

Applicant:	Sacramento 11th Street II LP
Contact:	Daniel J. Johnson
Address:	5251 Ericson Way Arcata, CA 95521
Phone:	(707) 822-9000
Email:	djohnson@danco-group.com
General Partner(s) / Principal Owner(s):	Sacramento 11th Street II LLC Community Revitalization and Development Corporation Danco Communities
General Partner Type:	Joint Venture
Parent Company(ies):	Johnson & Johnson Investments, LLC Community Revitalization and Development Corporation Danco Communities
Developer:	Danco Communities
Investor/Consultant:	Boston Financial
Management Agent(s):	Danco Property Management

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	52
No. & % of Tax Credit Units:	51 100%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	HUD Section 8 Project-based Vouchers (51 Units - 100%)

Information

Set-Aside: N/A
 Housing Type: Special Needs
 Type of Special Needs: Homeless
 Average Targeted Affordability of Special Needs Project Units: 30.00%
 % of Special Need Units: 51 units 100.00%
 Geographic Area: Capital Region
 CTCAC Project Analyst: Sabrina Yang

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	51	80%

Unit Mix

35 SRO/Studio Units
17 1-Bedroom Units
<u>52 Total Units</u>

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
35 SRO/Studio	30%	\$563
16 1 Bedroom	30%	\$603
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1
Construction Costs	\$20,342,691
Rehabilitation Costs	\$0
Construction Contingency	\$1,343,028
Relocation	\$0
Architectural/Engineering	\$1,138,256
Const. Interest, Perm. Financing	\$2,260,733
Legal Fees	\$115,000
Reserves	\$1,326,419
Other Costs	\$2,291,573
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$31,317,701

Residential

Construction Cost Per Square Foot:	\$533
Per Unit Cost:	\$602,263
True Cash Per Unit Cost*:	\$602,263

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citi Bank	\$21,480,000	Citi Bank	\$1,674,626
SHRA ¹	\$7,800,000	SHRA ¹	\$7,800,000
Tax Credit Equity	\$2,037,701	Solar Tax Credit Equity	\$240,104
		Tax Credit Equity	\$21,602,971
		TOTAL	\$31,317,701

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

¹Sacramento Housing and Redevelopment Agency

Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,345,757
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,749,484
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,497,453
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.86500

The “as if vacant” land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Special Needs
Self-Score Final:	62.896%
CTCAC Final:	61.402%

Significant Information / Additional Conditions

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, Sacramento Housing and Redevelopment Agency, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/8 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Maple Meadows I, located at Washington Road and Maple Street in Chowchilla, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the new construction of 79 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Self-Help Enterprises and will be located in Senate District 14 and Assembly District 27.

The project financing includes state funding from the Infill Infrastructure Grant (IIG) program of HCD.

Project Number CA-24-130
Project Name Maple Meadows I
Site Address: Washington Road and Maple Street
Chowchilla, CA 93610
County: Madera
Census Tract: 3.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

Applicant Information

Applicant: Self-Help Enterprises
Contact: Betsy McGovern-Garcia
Address: 8445 West Elowin Court
Visalia, CA 93291
Phone: 559-802-1653
Email: betsyg@selfhelpenterprises.org

General Partner(s) / Principal Owner(s): Self-Help Enterprises
General Partner Type: Nonprofit
Parent Company(ies): Self-Help Enterprises
Developer: Self-Help Enterprises
Investor/Consultant: California Housing Partnership
Management Agent(s): AWI Management Corporation

Project Information

Construction Type: New Construction
Total # Residential Buildings: 9
Total # of Units: 80
No. & % of Tax Credit Units: 79 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME-ARP / National Housing Trust Fund (NHTF)

Information

Set-Aside: Rural
 Housing Type: Large Family
 Geographic Area: N/A
 CTCAC Project Analyst: Sabrina Yang

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	20	25%
At or Below 40% AMI:	6	5%
At or Below 50% AMI (Rural):	31	35%
At or Below 60% AMI:	22	25%

Unit Mix

34 1-Bedroom Units
24 2-Bedroom Units
22 3-Bedroom Units
<u>80 Total Units</u>

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
8 1 Bedroom	30%	\$495
6 2 Bedrooms	30%	\$594
6 3 Bedrooms	30%	\$685
2 1 Bedroom	40%	\$660
2 2 Bedrooms	40%	\$792
2 3 Bedrooms	40%	\$914
11 1 Bedroom	50%	\$825
10 2 Bedrooms	50%	\$990
10 3 Bedrooms	50%	\$1,143
13 1 Bedroom	60%	\$990
6 2 Bedrooms	60%	\$1,188
3 3 Bedrooms	60%	\$1,371
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,349,552
Construction Costs	\$30,159,125
Rehabilitation Costs	\$0
Construction Contingency	\$1,886,269
Relocation	\$0
Architectural/Engineering	\$1,046,784
Const. Interest, Perm. Financing	\$3,477,644
Legal Fees	\$175,000
Reserves	\$682,951
Other Costs	\$2,069,948
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$43,347,273

Residential

Construction Cost Per Square Foot:	\$285
Per Unit Cost:	\$541,841
True Cash Per Unit Cost*:	\$541,841

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
U.S. Bank	\$26,907,799	U.S. Bank	\$952,000
HCD: IIG	\$4,256,800	HCD: IIG	\$4,256,800
Sacramento County: HOME-ARP ¹	\$7,824,182	HCD: NHTF	\$8,693,536
Deferred Cost	\$2,493,952	Sacramento County: HOME-ARP ¹	\$8,693,536
Tax Credit Equity	\$1,864,540	Tax Credit Equity	\$20,751,401
		TOTAL	\$43,347,273

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

¹HOME American Rescue Plan

Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,777,778
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,778
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.83006

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	75.380%
CTCAC Final:	75.380%

Significant Information / Additional Conditions

The project will restrict 20 (25%) of the units to serve special needs tenants, consisting of homeless households.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Chowchilla, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax

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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	3	3	3
Within 2 miles of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1/2 mile of a public middle school	3	3	3
Within 1 mile of medical clinic or hospital	3	3	3
Within 2 miles of a pharmacy	1	1	1
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

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CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Arc Village Apartments, located at South of 73255 Country Club Drive in Palm Desert, requested and is being recommended for a reservation of \$1,532,725 in annual federal tax credits to finance the new construction of 39 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Chelsea Investment Corporation and will be located in Senate District 18 and Assembly District 47.

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

Project Number CA-24-132

Project Name Arc Village Apartments
Site Address: South of 73255 Country Club Drive
Palm Desert, CA 92260
County: Riverside
Census Tract: 449.29

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,532,725	\$0
Recommended:	\$1,532,725	\$0

Applicant Information

Applicant: Chelsea Investment Corporation
Contact: Cheri Hoffman
Address: 6339 Paseo Del Lago
Carlsbad, CA 92011
Phone: 760-456-6000
Email: cherihoffman@chelseainvestco.com

General Partner(s) / Principal Owner(s): Pacific Southwest Community Development Corp.
CIC Arc Village, LLC
General Partner Type: Joint Venture
Parent Company(ies): Pacific Southwest Community Development Corp.
Chelsea Investment Corporation
Developer: Chelsea Investment Corporation
Investor/Consultant: The Richman Group Equity
Management Agent(s): ConAm Management Corporation

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 40
No. & % of Tax Credit Units: 39 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (8 Units - 20%)

Information

Set-Aside: N/A
 Housing Type: Large Family
 Geographic Area: Inland Empire Region
 CTCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	4	10%
At or Below 40% AMI:	8	20%
At or Below 50% AMI:	12	30%
At or Below 60% AMI:	15	35%

Unit Mix

20 1-Bedroom Units
10 2-Bedroom Units
10 3-Bedroom Units
<u>40 Total Units</u>

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
7 1 Bedroom	60%	\$1,134
6 1 Bedroom	50%	\$961
2 1 Bedroom	40%	\$769
2 1 Bedroom	40%	\$769
2 1 Bedroom	30%	\$576
4 2 Bedrooms	60%	\$1,359
3 2 Bedrooms	50%	\$1,097
1 2 Bedrooms	40%	\$922
1 2 Bedrooms	40%	\$922
1 2 Bedrooms	30%	\$658
4 3 Bedrooms	60%	\$1,572
3 3 Bedrooms	50%	\$1,219
1 3 Bedrooms	40%	\$1,066
1 3 Bedrooms	40%	\$1,066
1 3 Bedrooms	30%	\$731
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,705,000
Construction Costs	\$13,620,246
Rehabilitation Costs	\$0
Construction Contingency	\$1,238,193
Relocation	\$0
Architectural/Engineering	\$978,054
Const. Interest, Perm. Financing	\$1,599,403
Legal Fees	\$495,000
Reserves	\$131,601
Other Costs	\$1,379,797
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$23,647,294

Residential

Construction Cost Per Square Foot:	\$368
Per Unit Cost:	\$591,182
True Cash Per Unit Cost*:	\$541,354

Construction Financing

Source	Amount
Banner Bank	\$13,411,887
Palm Desert Housing Authority (PDHA)	\$3,000,000
PDHA: Land Donation	\$1,680,000
Inland Regional Center	\$1,500,000
Deferred Costs	\$2,675,955
Tax Credit Equity	\$1,379,452

Permanent Financing

Source	Amount
Banner Bank	\$3,260,000
Palm Desert Housing Authority	\$3,000,000
PDHA: Land Donation	\$1,680,000
Inland Regional Center	\$1,500,000
Deferred Developer Fee	\$313,122
Solar Tax Credit Equity	\$99,650
Tax Credit Equity	\$13,794,523
TOTAL	\$23,647,294

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$13,101,522
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$17,031,978
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,532,725
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	The Richman Group Equity
Federal Tax Credit Factor:	\$0.90000

The “as if vacant” land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	63.239%
CTCAC Final:	63.239%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Palm Desert, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/8 mile of transit station or public bus stop	4	4	4
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/2 mile of a pharmacy	2	2	2
Highest or High Resource Area	8	8	8
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL REAPPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Harmony Senior Apartments, located at 11410 Burbank Boulevard in Los Angeles, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the new construction of 83 units of housing serving seniors with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by Domus Development, LLC and will be located in Senate District 18 and Assembly District 39.

The project financing includes state funding from the Multifamily Housing Program (MHP) and Infill Infrastructure Grant (IIG) programs of HCD.

Project Number CA-24-133

Project Name Harmony Senior Apartments
Site Address: 11410 Burbank Boulevard
Los Angeles, CA 91601
County: Los Angeles
Census Tract: 1252.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

Applicant Information

Applicant: Harmony Senior Apartments, L.P.
Contact: Maurice Ramirez
Address: 9 Cushing, Suite 200
Irvine, CA 92618
Phone: (213)232-1186
Email: Maurice@domusd.com

General Partner(s) / Principal Owner(s): Domus GP LLC
Meldia Development LLC
Spectrum GP LLC
General Partner Type: Joint Venture
Parent Company(ies): Domus Development, LLC
Spectrum Affordable Housing Corporation
Developer: Domus Development, LLC
Investor/Consultant: Walker & Dunlop Affordable Equity
Management Agent(s): Domus Management Co

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 84
No. & % of Tax Credit Units: 83 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME

Information

Set-Aside: N/A
 Housing Type: Seniors
 Geographic Area: City of Los Angeles
 CTCAC Project Analyst: Chris Saenz

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	22	25%
At or Below 40% AMI:	41	45%
At or Below 50% AMI:	20	20%

Unit Mix

42 SRO/Studio Units
41 1-Bedroom Units
<u>1 2-Bedroom Units</u>
84 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
10 SRO/Studio	30%	\$728
23 SRO/Studio	40%	\$971
9 SRO/Studio	50%	\$1,213
12 1 Bedroom	30%	\$780
18 1 Bedroom	40%	\$1,040
11 1 Bedroom	50%	\$1,300
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$9,270,000
Construction Costs	\$30,843,370
Rehabilitation Costs	\$0
Construction Contingency	\$1,630,131
Relocation	\$0
Architectural/Engineering	\$1,162,285
Const. Interest, Perm. Financing	\$5,113,712
Legal Fees	\$210,000
Reserves	\$232,875
Other Costs	\$2,485,190
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$53,447,563

Residential

Construction Cost Per Square Foot:	\$559
Per Unit Cost:	\$636,281
True Cash Per Unit Cost*:	\$636,274

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citibank	\$36,202,182	Citibank	\$2,434,631
HCD: IIG	\$3,661,000	LAHD: HOME ¹	\$8,232,756
Accrued Interest	\$8,232,756	HCD: IIG	\$3,661,000
Deferred Costs	\$232,875	HCD: MHP	\$17,493,634
Deferred Developer Fee	\$1,875,000	Deferred Developer Fee	\$542
Tax Credit Equity	\$3,243,750	Tax Credit Equity	\$21,625,000
		TOTAL	\$53,447,563

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

¹Los Angeles Housing Department - HOME Investment Partnerships Program

Determination of Credit Amount(s)

Requested Eligible Basis:	\$42,008,517
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$54,611,072
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Walker & Dunlop Affordable Equity
Federal Tax Credit Factor:	\$0.86500

The “as if vacant” land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

Initial:	Letter of Support
First:	Seniors
Self-Score Final:	75.032%
CTCAC Final:	75.032%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Oak Park Senior Apartments, located at 2805 Cohasset Road in Chico, requested and is being recommended for a reservation of \$1,024,105 in annual federal tax credits to finance the new construction of 59 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Domus Development, LLC and will be located in Senate District 4 and Assembly District 3.

The project financing includes state funding from the Infill Infrastructure Grant (IIG) program of HCD.

Project Number CA-24-135

Project Name Oak Park Senior Apartments
Site Address: 2805 Cohasset Road
Chico, CA 95973
County: Butte
Census Tract: 0002.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,024,105	\$0
Recommended:	\$1,024,105	\$0

Applicant Information

Applicant: Oak Park Senior Apartments, L.P.
Contact: Maurice Ramirez
Address: 9 Cushing Suite 200
Irvine, CA 92618
Phone: (310) 948-5904
Email: Maurice@domusd.com

General Partner(s) / Principal Owner(s): Domus GP LLC
Spectrum GP LLC
General Partner Type: Joint Venture
Parent Company(ies): Domus Development, LLC
Spectrum Affordable Housing Corporation
Developer: Domus Development, LLC
Investor/Consultant: Walker & Dunlop Affordable Equity
Management Agent(s): Domus Management Company

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 60
No. & % of Tax Credit Units: 59 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: CDBG

Information

Set-Aside: N/A
Housing Type: Seniors
Geographic Area: Northern Region
CTCAC Project Analyst: Dianne Myers

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	9	15%
At or Below 40% AMI:	9	15%
At or Below 50% AMI:	15	25%
At or Below 60% AMI:	26	40%

Unit Mix

18 SRO/Studio Units
41 1-Bedroom Units
<u>1 2-Bedroom Units</u>
60 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
18 SRO/Studio	60%	\$952
9 1 Bedroom	30%	\$510
9 1 Bedroom	40%	\$680
15 1 Bedroom	50%	\$850
8 1 Bedroom	60%	\$930
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$827,405
Construction Costs	\$12,611,301
Rehabilitation Costs	\$0
Construction Contingency	\$776,269
Relocation	\$0
Architectural/Engineering	\$892,616
Const. Interest, Perm. Financing	\$1,236,082
Legal Fees	\$305,000
Reserves	\$85,616
Other Costs	\$1,972,784
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$21,207,073

Residential

Construction Cost Per Square Foot:	\$320
Per Unit Cost:	\$353,451
True Cash Per Unit Cost*:	\$345,118

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank	\$8,911,361	Citibank	\$2,518,237
CDBG-DR MHP ¹	\$6,608,800	CDBG-DR MHP ¹	\$6,608,800
HCD: IIG	\$2,670,325	HCD: IIG	\$2,670,325
Deferred Costs	\$125,616	Deferred Developer Fee	\$500,000
Deferred Developer Fee	\$2,000,000	Tax Credit Equity	\$8,909,711
Tax Credit Equity	\$890,971	TOTAL	\$21,207,073

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

¹Community Development Block Grant - Disaster Recovery Multifamily Housing Program

Determination of Credit Amount(s)

Requested Eligible Basis:	\$11,378,941
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$11,378,941
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,024,105
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Walker & Dunlop Affordable Equity
Federal Tax Credit Factor:	\$0.87000

The “as if vacant” land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Seniors
Self-Score Final:	69.114%
CTCAC Final:	69.114%

Significant Information / Additional Conditions:

The project's 3-month operating reserve is less than the amount required under regulation section 10327(c)(7)(B) by \$28,698. Under regulation section 10327(a) initial application errors of \$100,000 or less shall be deemed covered by the contingency line item. However, at the submission of the next updated CTCAC application required by CTCAC, and all subsequent submissions to CTCAC, including the placed-in-service submission for the issuance of the IRS 8609 forms, the applicant must fund the 3-month operating reserve at a level that meets the requirement of regulation section 10327(c)(7)(B).

Local Reviewing Agency

The Local Reviewing Agency, City of Chico, has completed a site review of this project and supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

The project's 3-month operating reserve is less than the amount required under regulation section 10327(c)(7)(B) by \$28,698. Under regulation section 10327(a) initial application errors of \$100,000 or less shall be deemed covered by the contingency line item. However, at the submission of the

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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	0
Within 1/3 mile of transit station or public bus stop	4	0	4
Within 3/4 mile of public park or community center open to general public	2	2	2
Within 1/4 mile of a neighborhood market of at least 5,000 sf	4	4	4
Senior project within 3/4 mile of daily operated senior center/facility	2	2	0
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Fountain Street Apartments, located at 4151 East Fountain Street & 4220 East Wehrle Court in Long Beach, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$1,678,678 in total state tax credits to finance the new construction of 72 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Linc Community Development Corporation and will be located in Senate District 33 and Assembly District 69.

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 Multifamily Housing Program (MHP) of HCD.

Project Number CA-24-141

Project Name Fountain Street Apartments
Site Address: 4151 East Fountain Street & 4220 East Wehrle Court
Long Beach, CA 90804
County: Los Angeles
Census Tract: 5750.02

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$1,678,678
Recommended:	\$2,500,000	\$1,678,678

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

Applicant Information

Applicant: Linc Community Development Corporation
Contact: Anders Plett
Address: 3590 Elm Avenue
Long Beach, CA 90807
Phone: 562-684-1131
Email: aplett@linchousing.org

General Partner(s) / Principal Owner(s): LINC-Wehrle Apts, LLC
General Partner Type: Nonprofit
Parent Company(ies): Linc Community Development Corporation
Developer: Linc Community Development Corporation
Investor/Consultant: Raymond James Affordable Housing Investments, Inc.
Management Agent(s): WinnResidential

Project Information

Construction Type: New Construction
Total # Residential Buildings: 2
Total # of Units: 73
No. & % of Tax Credit Units: 72 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: CDBG / HUD Section 8 Project-based Vouchers (18 Units - 25%)

Information

Set-Aside: N/A
Housing Type: Large Family
Geographic Area: Balance of Los Angeles County
CTCAC Project Analyst: Jacob Paixao

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	22	30%
At or Below 40% AMI:	14	15%
At or Below 60% AMI:	36	50%

Unit Mix

36 1-Bedroom Units
16 2-Bedroom Units
<u>21 3-Bedroom Units</u>
73 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
17 1 Bedroom	30%	\$552
1 1 Bedroom	30%	\$780
14 1 Bedroom	40%	\$1,040
4 1 Bedroom	60%	\$1,560
1 2 Bedrooms	30%	\$663
1 2 Bedrooms	30%	\$936
14 2 Bedrooms	60%	\$1,872
2 3 Bedrooms	30%	\$1,081
18 3 Bedrooms	60%	\$2,163
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$8,960,489
Construction Costs	\$33,310,133
Rehabilitation Costs	\$0
Construction Contingency	\$2,288,688
Relocation	\$0
Architectural/Engineering	\$2,351,885
Const. Interest, Perm. Financing	\$6,456,441
Legal Fees	\$35,000
Reserves	\$391,031
Other Costs	\$2,825,714
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$59,119,381

Residential

Construction Cost Per Square Foot:	\$396
Per Unit Cost:	\$809,855
True Cash Per Unit Cost*:	\$718,362

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Bank of America	\$47,808,728	Bank of America	\$3,788,000
City of Long Beach: CDBG	\$1,600,000	HCD: MHP	\$23,123,459
City of Long Beach: Seller Carryback	\$6,275,545	City of Long Beach: CDBG	\$1,600,000
Impact Fee Waiver	\$403,401	City of Long Beach: Seller Carryback	\$6,275,545
Deferred Costs	\$947,130	Impact Fee Waiver	\$403,401
General Partner Equity	\$100	General Partner Equity	\$100
Tax Credit Equity	\$2,179,156	Tax Credit Equity	\$23,928,876
		TOTAL	\$59,119,381

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,777,778
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,778
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$1,678,678
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Raymond James Affordable Housing Investments, Inc.
Federal Tax Credit Factor:	\$0.90008
State Tax Credit Factor:	\$0.85000

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	99.161%
CTCAC Final:	87.941%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$718,362. The applicant noted that the factors impacting the per unit cost include prevailing wage requirements, increased costs from demolition, and costs associated with designing and constructing two all-electric buildings.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Long Beach, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/2 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of an adult education campus or community college	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Highest or High Resource Area	8	8	8
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Eureka Scattered Site Project, located at three sites (see below) in Eureka, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$14,652,743 in total state tax credits to finance the new construction of 87 units of housing serving families with rents affordable to households earning 30%-55% of area median income (AMI). The project will be developed by Linc Housing Corporation and will be located in Senate District 2 and Assembly District 2.

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 Infill Infrastructure Grant (IIG) and Affordable Housing and Sustainable Communities (AHSC) programs of HCD.

Project Number	CA-24-142	
Project Name	Eureka Scattered Site Project	
Site Addresses:	Site 1	Site 2
	1310 Myrtle Avenue	6th Street & M Street
	Eureka, CA 95501	Eureka, CA 95501
	County: Humboldt	County: Humboldt
	Census Tract: 0006.00	Census Tract: 0005.00
	Site 3	
	8th Street & G Street	
	Eureka, CA 95501	
	County: Humboldt	
	Census Tract: 0001.00	

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$14,652,743
Recommended:	\$2,500,000	\$14,652,743

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

Applicant Information

Applicant:	Linc Housing Corporation
Contact:	Cecilia Ngo
Address:	3590 Elm Avenue Long Beach, CA 95501
Phone:	562-564-1134
Email:	cngo@linchousing.org
General Partner(s) / Principal Owner(s):	LINC-Eureka APTS, LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Linc Housing Corporation
Developer:	Linc Housing Corporation
Investor/Consultant:	Raymond James Housing Investments, Inc.
Management Agent(s):	WinnResidential

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 3
 Total # of Units: 90
 No. & % of Tax Credit Units: 87 100%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: HUD Section 8 Project-based Vouchers (25 Units - 29%) / HOME / National Housing Trust Fund (NHTF)

Information

Set-Aside: Rural
 Housing Type: Large Family
 Geographic Area: N/A
 CTCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	26	25%
At or Below 50% AMI (Rural):	22	25%
At or Below 55% AMI (Rural):	39	40%

Unit Mix

42 1-Bedroom Units
23 2-Bedroom Units
<u>25 3-Bedroom Units</u>
90 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 1 Bedroom	30%	\$496
1 2 Bedrooms	30%	\$596
6 3 Bedrooms	30%	\$688
8 1 Bedroom	50%	\$828
4 1 Bedroom	55%	\$910
3 1 Bedroom	55%	\$911
7 2 Bedrooms	55%	\$1,093
1 1 Bedroom	30%	\$496
1 2 Bedrooms	30%	\$596
7 3 Bedrooms	30%	\$688
7 1 Bedroom	50%	\$828
4 1 Bedroom	55%	\$910
6 2 Bedrooms	55%	\$1,093
1 3 Bedrooms	55%	\$1,262
1 2 Bedrooms	30%	\$596
8 3 Bedrooms	30%	\$688
7 1 Bedroom	50%	\$828
4 1 Bedroom	55%	\$910
3 1 Bedroom	55%	\$911
7 2 Bedrooms	55%	\$1,093
3 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,556,040
Construction Costs	\$51,262,100
Rehabilitation Costs	\$0
Construction Contingency	\$3,328,736
Relocation	\$0
Architectural/Engineering	\$4,152,173
Const. Interest, Perm. Financing	\$7,502,466
Legal Fees	\$60,000
Reserves	\$345,097
Other Costs	\$2,319,204
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$73,025,816

Residential

Construction Cost Per Square Foot:	\$427
Per Unit Cost:	\$811,398
True Cash Per Unit Cost*:	\$798,452

Construction Financing

Source	Amount
Wells Fargo	\$46,328,538
HCD: AHSC Grant	\$3,541,204
HCD: IIG	\$750,000
HCD: NHTF	\$13,531,613
Donated Land	\$700,000
Deferred Costs	\$1,228,718
Deferred Developer Fee	\$465,166
Tax Credit Equity	\$6,480,577

Permanent Financing

Source	Amount
CCRC ¹	\$2,748,000
HCD: AHSC	\$16,613,435
HCD: AHSC Grant	\$3,541,204
HCD: IIG	\$750,000
HCD: NHTF	\$15,035,126
Donated Land	\$700,000
Deferred Developer Fee	\$465,166
Tax Credit Equity	\$33,172,885
TOTAL	\$73,025,816

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

¹California Community Reinvestment Corporation

Determination of Credit Amount(s)

Requested Eligible Basis:	\$48,842,479
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$48,842,479
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$14,652,743
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Raymond James Housing Investments, Inc.
Federal Tax Credit Factor:	\$0.85492
State Tax Credit Factor:	\$0.80530

The “as if vacant” land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	81.771%
CTCAC Final:	81.770%

Significant Information / Additional Conditions

Staff noted a per unit cost of \$798,452. The applicant noted that the per unit cost is attributed to prevailing wage requirements, scattered site project building design factors, and demolition costs.

The applicant has requested and been granted a waiver to the requirement for rural set-aside applications to not exceed 80 Low Income Units, per CTCAC Regulation 10325(f)(9)(A).

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Eureka, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/8 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1 mile of school grounds/facilities open to public with JUA	3	3	3
Within 1 mile of public library	3	3	3
Within 2 miles of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of a public high school	3	3	3
Within 1 mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL REAPPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Rose Creek Village, located at 2662 Garnet Avenue in San Diego, requested and is being recommended for a reservation of \$2,340,177 in annual federal tax credits to finance the new construction of 59 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by National Community Renaissance of California and will be located in Senate District 38 and Assembly District 77.

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) and Infill Infrastructure Grant (IIG) programs of HCD.

Project Number CA-24-147

Project Name Rose Creek Village
Site Address: 2662 Garnet Avenue
San Diego, CA 92109
County: San Diego
Census Tract: 78.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,340,177	\$0
Recommended:	\$2,340,177	\$0

Applicant Information

Applicant: Rose Creek Village LP
Contact: Ashley Wright
Address: 9692 Haven Avenue, Suite 100
Rancho Cucamonga, CA 91730
Phone: 909-204-3429
Email: awright@nationalcore.org

General Partner(s) / Principal Owner(s): NCRC Rose Creek GP LLC
SDCHC Rose Creek LLC
General Partner Type: Nonprofit
Parent Company(ies): National Community Renaissance of California
San Diego Community Housing Corporation
Developer: National Community Renaissance of California
Investor/Consultant: Red Stone Equity Partners
Management Agent(s): National Community Renaissance of California

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 60
No. & % of Tax Credit Units: 59 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: CDBG / HUD Section 8 Project-based Vouchers (29 Units - 49%) / HUD VASH Section 8 Project-based Vouchers (18 Units - 31%)

Information

Set-Aside: N/A
Housing Type: SRO
Geographic Area: San Diego County
CTCAC Project Analyst: Nick White

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	40	65%
At or Below 60% AMI:	19	30%

Unit Mix

59 SRO/Studio Units
1 2-Bedroom Units
60 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
18 SRO/Studio	30%	\$795
22 SRO/Studio	30%	\$795
7 SRO/Studio	60%	\$1,326
12 SRO/Studio	60%	\$1,326
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,888,852
Construction Costs	\$20,866,800
Rehabilitation Costs	\$0
Construction Contingency	\$1,350,063
Relocation	\$0
Architectural/Engineering	\$1,134,680
Const. Interest, Perm. Financing	\$3,598,177
Legal Fees	\$255,000
Reserves	\$732,670
Other Costs	\$2,347,647
Developer Fee	\$2,800,000
Commercial Costs	\$0
Total	\$37,973,889

Residential

Construction Cost Per Square Foot:	\$573
Per Unit Cost:	\$632,898
True Cash Per Unit Cost*:	\$625,429

Construction Financing

Permanent Financing

Source	Amount	Source	Amount
JPMorgan Chase	\$23,199,090	JPMorgan Chase	\$4,000,261
HCD: IIG	\$3,254,012	HCD: IIG	\$3,615,569
County of San Diego: NPLH	\$3,336,471	County of San Diego: NPLH	\$3,707,190
City of San Diego: CDBG ¹	\$3,600,000	City of San Diego: CDBG ¹	\$4,000,000
Fee Waivers	\$448,121	SDHC ²	\$2,000,000
Deferred Costs	\$2,257,670	Fee Waivers	\$448,121
Tax Credit Equity	\$1,878,525	Tax Credit Equity	\$20,202,748
		TOTAL	\$37,973,889

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

¹Community Development Block Grant

²San Diego Housing Commission

Determination of Credit Amount(s)

Requested Eligible Basis:	\$20,002,209
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$26,002,872
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,340,177
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,800,000
Investor/Consultant:	Red Stone Equity Partners
Federal Tax Credit Factor:	\$0.86330

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	SRO
Self-Score Final:	71.967%
CTCAC Final:	66.354%

Significant Information / Additional Conditions

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

The project will restrict 18 (31%) of the units to serve special needs tenants, consisting of veterans experiencing homelessness.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, San Diego Housing Commission, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of transit, service every 30 minutes in rush hours	5	5	5
Within ½ mile of public park or community center open to general public	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
SPECIAL NEEDS, SRO HOUSING TYPES			
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Sundance Apartments, located at 6000 White Lane in Bakersfield, requested and is being recommended for a reservation of \$1,688,763 in annual federal tax credits and \$5,564,616 in total state tax credits to finance the acquisition and rehabilitation of 59 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Community Preservation Partners and is located in Senate District 16 and Assembly District 35.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number CA-24-149

Project Name Sundance Apartments
Site Address: 6000 White Lane
Bakersfield, CA 93309
County: Kern
Census Tract: 31.25

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,688,763	\$5,564,616
Recommended:	\$1,688,763	\$5,564,616

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant: Sundance Apartments, LP
Contact: Kimberley B. McClintock
Address: 531 Mill Road
Auburn, CA 95603
Phone: 530-888-7097
Email: beneficialhousing@gmail.com

General Partner(s) / Principal Owner(s): Bettencourt Properties, Inc.
The Beneficial Housing Foundation
General Partner Type: Joint Venture
Parent Company(ies): Bettencourt Properties, Inc.
The Beneficial Housing Foundation
Developer: Community Preservation Partners
Investor/Consultant: WNC & Associates, Inc.
Management Agent(s): AWI Management Corporation

Project Information

Construction Type: Acquisition and Rehabilitation
Total # Residential Buildings: 10
Total # of Units: 60
No. & % of Tax Credit Units: 59 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Contract (59 Units - 100%)

Information

Set-Aside: At-Risk
 Housing Type: At-Risk
 Geographic Area: N/A
 CTCAC Project Analyst: Chris Saenz

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	6	10%
At or Below 40% AMI:	15	25%
At or Below 50% AMI:	14	20%
At or Below 60% AMI:	24	40%

Unit Mix

40 2-Bedroom Units
<u>20 3-Bedroom Units</u>
60 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
4 2 Bedrooms	30%	\$594
2 3 Bedrooms	30%	\$685
11 2 Bedrooms	40%	\$792
4 3 Bedrooms	40%	\$914
10 2 Bedrooms	50%	\$990
4 3 Bedrooms	50%	\$1,143
11 2 Bedrooms	60%	\$1,188
4 2 Bedrooms	60%	\$1,188
9 3 Bedrooms	60%	\$1,371
1 3 Bedrooms	Manager's Unit	\$2,396

Project Cost Summary at Application

Land and Acquisition	\$20,050,000
Construction Costs	\$0
Rehabilitation Costs	\$5,582,400
Construction Contingency	\$708,240
Relocation	\$120,000
Architectural/Engineering	\$193,648
Const. Interest, Perm. Financing	\$3,023,761
Legal Fees	\$30,000
Reserves	\$322,000
Other Costs	\$366,150
Developer Fee	\$2,253,026
Commercial Costs	\$0
Total	\$32,649,225

Residential

Construction Cost Per Square Foot:	\$93
Per Unit Cost:	\$544,154
True Cash Per Unit Cost*:	\$521,624

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank	\$25,425,932	Citibank	\$11,513,000
Net Operating Income	\$749,834	Net Operating Income	\$749,834
Deferred Developer Fee	\$901,211	Deferred Developer Fee	\$1,351,815
Tax Credit Equity	\$5,572,248	Tax Credit Equity	\$19,034,576
		TOTAL	\$32,649,225

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$10,415,370
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$18,784,500
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$10,415,370
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$18,784,500
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$937,383
Maximum Annual Federal Credit, Acquisition:	\$751,380
Total Maximum Annual Federal Credit:	\$1,688,763
Total State Credit:	\$5,564,616
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,253,026
Investor/Consultant:	WNC & Associates, Inc.
Federal Tax Credit Factor:	\$0.88000
State Tax Credit Factor:	\$0.75000

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	At-Risk
Self-Score Final:	16.239%
CTCAC Final:	16.239%

Significant Information / Additional Conditions

The applicant has requested and been granted a waiver regarding the distribution of mobility units throughout the project to meet the 10% mobility feature requirement. 6 two-bedroom units (10% of total units) with mobility features will be provided. No three-bedroom units with mobility features will be included. The architect demonstrated that due to the structural design of the three-bedroom townhouses, full compliance would be impractical and create an undue financial burden.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 minutes in rush hours	6	6	6
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Valentine Road Apartments, located at 5818 Valentine Road in Ventura, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$11,238,143 in total state tax credits to finance the adaptive reuse of 134 units of housing serving special needs tenants with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by Housing Authority of the City of San Buenaventura 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. The project financing includes state funding from the Project Homekey program of HCD.

Project Number CA-24-150

Project Name Valentine Road Apartments
Site Address: 5818 Valentine Road
Ventura, CA 93003
County: Ventura
Census Tract: 0028.00

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$11,238,143
Recommended:	\$2,500,000	\$11,238,143

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

Applicant Information

Applicant: Homecomings, Inc.
Contact: Jeffrey Lambert
Address: 995 Riverside Street
Ventura, CA 93001
Phone: (805) 648-5008
Email: jlambert@hacityventura.org

General Partner(s) / Principal Owner(s): Valentine Road LLC
General Partner Type: Nonprofit
Parent Company(ies): Homecomings, Inc.
Developer: Housing Authority of the City of San Buenaventura
Investor/Consultant: California Housing Partnership
Management Agent(s): Housing Authority of the City of San Buenaventura

Project Information

Construction Type: Adaptive Reuse
Total # Residential Buildings: 4
Total # of Units: 136
No. & % of Tax Credit Units: 134 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (78 Units - 58%)

Information

Set-Aside: Nonprofit (Homeless assistance)
 Housing Type: Special Needs SRO
 Type of Special Needs: Homeless
 Average Targeted Affordability of Special Needs/SRO Project Units: 39.00%
 % of Special Need Units: 71 units 52.99%
 Geographic Area: N/A
 CTCAC Project Analyst: Nick White

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	100	70%
At or Below 50% AMI:	34	25%

Unit Mix

133 SRO/Studio Units
3 1-Bedroom Units
 136 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
33 SRO/Studio	30%	\$492
23 SRO/Studio	30%	\$354
34 SRO/Studio	50%	\$1,231
37 SRO/Studio	30%	\$738
6 SRO/Studio	30%	\$609
1 1 Bedroom	30%	\$791
2 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$35,207,711
Construction Costs	\$25,027,545
Rehabilitation Costs	\$0
Construction Contingency	\$3,012,179
Relocation	\$20,000
Architectural/Engineering	\$1,692,186
Const. Interest, Perm. Financing	\$3,975,777
Legal Fees	\$275,979
Reserves	\$2,540,978
Other Costs	\$2,462,214
Developer Fee	\$2,800,000
Commercial Costs	\$0
Total	\$77,014,569

Residential

Construction Cost Per Square Foot:	\$401
Per Unit Cost:	\$566,284
True Cash Per Unit Cost*:	\$555,989

Construction Financing

Source	Amount
U.S. Bank	\$16,037,414
HCD: Homekey	\$30,658,180
County of Ventura	\$5,000,000
Housing Trust Fund Ventura County	\$5,000,000
County of Ventura: General Funds	\$5,500,000
City of Ventura: PLHA	\$1,739,292
City of Ventura: Deferred Impact Fee	\$889,304
HACSB ¹	\$3,074,880
HACSB: COSR	\$1,369,513
Deferred Costs	\$3,259,765
Deferred Developer Fee	\$1,400,000
Tax Credit Equity	\$3,086,221

Permanent Financing

Source	Amount
HCD: Homekey	\$30,658,180
County of Ventura	\$5,500,000
City of Ventura: PLHA	\$1,739,292
HACSB ¹	\$3,074,880
HACSB: COSR	\$1,369,513
Deferred Impact Fee	\$889,304
Deferred Developer Fee	\$1,400,000
Tax Credit Equity	\$32,383,400
TOTAL	\$77,014,569

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

¹Housing Authority of the City of San Buenaventura

Determination of Credit Amount(s)

Requested Eligible Basis:	\$37,460,476
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$48,698,619
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$11,238,143
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,800,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.91710
State Tax Credit Factor:	\$0.84141

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Special Needs
Self-Score Final:	123.301%
CTCAC Final:	120.715%

Significant Information / Additional Conditions:

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Ventura, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ¼ mile of public park or community center open to general public	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of an adult education campus or community college	3	3	3
Special Needs project within 1 mile of facility serving tenant population	2	2	2
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

The 101, located at 101 E Pacific Coast Highway (1814 Pine Avenue) in Long Beach, requested and is being recommended for a reservation of \$2,249,775 in annual federal tax credits to finance the new construction of 51 units of housing serving special needs tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Jamboree Housing Corporation and will be located in Senate District 33 and Assembly District 69.

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

Project Number CA-24-154

Project Name The 101
Site Address: 101 E Pacific Coast Highway (1814 Pine Avenue)
Long Beach, CA 90806
County: Los Angeles
Census Tract: 5730.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,249,775	\$0
Recommended:	\$2,249,775	\$0

Applicant Information

Applicant: 101 Housing Partners LP
Contact: Tish Kelly
Address: 17701 Cowan Avenue, Suite 200
Irvine, CA 92614
Phone: 949.214.2350
Email: tkelly@jamboreehousing.com

General Partner(s) / Principal Owner(s): JHC-East PCH LLC
General Partner Type: Nonprofit
Parent Company(ies): Jamboree Housing Corporation
Developer: Jamboree Housing Corporation
Investor/Consultant: Bank of America
Management Agent(s): Quality Management Group, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 52
No. & % of Tax Credit Units: 51 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: National Housing Trust Fund (NHTF) / HUD Section 8 Project-based Vouchers (51 Units - 100%)

Information

Set-Aside: N/A
 Housing Type: Special Needs
 Type of Special Needs: Homeless
 Average Targeted Affordability of Special Needs Project Units: 30.00%
 % of Special Need Units: 51 units 100.00%
 Geographic Area: Balance of Los Angeles County
 CTCAC Project Analyst: Jacob Couch

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	51	80%

Unit Mix

51 1-Bedroom Units
<u>1 2-Bedroom Units</u>
52 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
51 1 Bedroom	30%	\$303
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,160,000
Construction Costs	\$23,710,533
Rehabilitation Costs	\$0
Construction Contingency	\$2,334,167
Relocation	\$0
Architectural/Engineering	\$1,725,000
Const. Interest, Perm. Financing	\$3,024,791
Legal Fees	\$300,000
Reserves	\$697,941
Other Costs	\$2,384,028
Developer Fee	\$2,800,000
Commercial Costs	\$0
Total	\$39,136,460

Residential

Construction Cost Per Square Foot:	\$487
Per Unit Cost:	\$752,624
True Cash Per Unit Cost*:	\$748,725

Construction Financing**Permanent Financing**

Source	Amount	Source	Amount
Bank of America	\$18,800,000	Bank of America	\$3,760,647
HCD: NHTF	\$13,500,000	HCD: NHTF	\$13,500,000
City of Long Beach: CDBG ¹	\$2,100,000	City of Long Beach: CDBG ¹	\$2,100,000
Deferred Costs	\$787,695	Deferred Developer Fee	\$202,770
Deferred Developer Fee	\$1,600,000	Tax Credit Equity	\$19,573,043
Tax Credit Equity	\$2,348,765	TOTAL	\$39,136,460

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

¹ Community Development Block Grant

Determination of Credit Amount(s)

Requested Eligible Basis:	\$19,230,770
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$25,000,001
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,249,775
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,800,000
Investor/Consultant:	Bank of America
Federal Tax Credit Factor:	\$0.87000

The “as if vacant” land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Special Needs
Self-Score Final:	83.711%
CTCAC Final:	83.711%

Significant Information / Additional Conditions

Staff noted a per-unit cost of \$748,725. Factors impacting the per unit cost include prevailing wage requirements, a possible vapor barrier, and constructing four stories of Type IV on a Type III podium.

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

Local Reviewing Agency

The Local Reviewing Agency, City of Long Beach, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within ½ mile of a neighborhood market of at least 5,000 sf	3	3	3
Special Needs project within ½ mile of facility serving tenant population	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within ½ mile of a pharmacy	2	2	2
Service Amenities	10	10	10
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Revitalization Area Project	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Ramona Park Apartments, located at 13870 Ramona Boulevard in Baldwin Park, requested and is being recommended for a reservation of \$1,741,487 in annual federal tax credits and \$5,728,683 in total state tax credits to finance the acquisition and rehabilitation of 48 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Community Preservation Partners, LLC and is located in Senate District 22 and Assembly District 48.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number CA-24-160

Project Name Ramona Park Apartments
Site Address: 13870 Ramona Boulevard
Baldwin Park, CA 91706
County: Los Angeles
Census Tract: 4048.05

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,741,487	\$5,728,683
Recommended:	\$1,741,487	\$5,728,683

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant: Ramona Park Community Partners, LP
Contact: Seth Gellis
Address: 17782 Sky Park Circle
Irvine, CA 92614
Phone: 949-278-3658
Email: sgellis@cpp-housing.com

General Partner(s) / Principal Owner(s): CPP - Ramona Park GP, LLC
FFAH V RP APTS, LLC

General Partner Type: Joint Venture
Parent Company(ies): WNC Development Partners 4, LLC
Foundation for Affordable Housing V, Inc.

Developer: Community Preservation Partners, LLC
Investor/Consultant: WNC & Associates, Inc
Management Agent(s): Quality Management Group

Project Information

Construction Type: Acquisition and Rehabilitation
 Total # Residential Buildings: 4
 Total # of Units: 49
 No. & % of Tax Credit Units: 48 100%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: HUD Section 8 Project-based Contract (48 units - 100%)

Information

Set-Aside: At-Risk
 Housing Type: At-Risk
 Geographic Area: N/A
 CTCAC Project Analyst: Jacob Paixao

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	8	15%
At or Below 40% AMI:	8	15%
At or Below 50% AMI:	12	25%
At or Below 60% AMI:	20	40%

Unit Mix

12 1-Bedroom Units
24 2-Bedroom Units
<u>13 3-Bedroom Units</u>
49 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 2 Bedrooms	30%	\$851
1 3 Bedrooms	30%	\$983
2 1 Bedroom	40%	\$945
4 2 Bedrooms	40%	\$1,134
4 3 Bedrooms	40%	\$1,311
3 1 Bedroom	50%	\$1,182
6 2 Bedrooms	50%	\$1,418
3 3 Bedrooms	50%	\$1,639
5 1 Bedroom	60%	\$1,418
9 2 Bedrooms	60%	\$1,702
4 3 Bedrooms	60%	\$1,967
2 1 Bedroom	30%	\$709
2 2 Bedrooms	30%	\$860
1 3 Bedrooms	30%	\$883
1 2 Bedrooms	Manager's Unit	\$2,595

Project Cost Summary at Application

Land and Acquisition	\$23,350,000
Construction Costs	\$0
Rehabilitation Costs	\$4,274,026
Construction Contingency	\$577,402
Relocation	\$122,500
Architectural/Engineering	\$187,481
Const. Interest, Perm. Financing	\$4,056,358
Legal Fees	\$150,000
Reserves	\$385,000
Other Costs	\$344,869
Developer Fee	\$2,293,360
Commercial Costs	\$0
Total	\$35,740,996

Residential

Construction Cost Per Square Foot:	\$89
Per Unit Cost:	\$729,408
True Cash Per Unit Cost*:	\$709,000

Construction Financing

Source	Amount
CitiBank	\$30,080,985
Net Operating Income	\$551,398
Deferred Developer Fee	\$1,576,725
Tax Credit Equity	\$3,531,888

Permanent Financing

Source	Amount
CitiBank	\$14,568,000
Net Operating Income	\$551,398
Deferred Developer Fee	\$1,000,000
Tax Credit Equity	\$19,621,598
TOTAL	\$35,740,996

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$9,452,224
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$22,269,684
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$9,452,224
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$22,269,684
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$850,700
Maximum Annual Federal Credit, Acquisition:	\$890,787
Total Maximum Annual Federal Credit:	\$1,741,487
Total State Credit:	\$5,728,672
Approved Developer Fee in Project Cost:	\$2,293,360
Approved Developer Fee in Eligible Basis:	\$2,293,360
Investor/Consultant:	WNC & Associates, Inc
Federal Tax Credit Factor:	\$0.88000
State Tax Credit Factor:	\$0.75000

The “as if vacant” land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	At-Risk
Self-Score Final:	20.166%
CTCAC Final:	20.166%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$709,000. The applicant stated that the per unit cost is attributed to the scope of renovations required for a small unit development. In addition, it was noted legal and lender fees remain the same despite being a smaller project.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 minutes in rush hours	6	6	6
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/4 mile of a public elementary school	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL REAPPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 Second Round

October 2, 2024

Lincoln Beach, located at 130 South Beach Boulevard in Anaheim, requested and is being recommended for a reservation of \$1,923,622 in annual federal tax credits to finance the new construction of 46 units of housing serving seniors with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Innovative Housing Opportunities and will be located in Senate District 29 and Assembly District 67.

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

Project Number CA-24-171

Project Name Lincoln Beach
Site Address: 130 South Beach Boulevard
Anaheim, CA 92804
County: Orange
Census Tract: 869.03

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,923,622	\$0
Recommended:	\$1,923,622	\$0

Applicant Information

Applicant: Lincoln Beach, LP
Contact: Marisela Fuller
Address: 501 North Golden Circle Drive, Suite 100
Santa Ana, CA 92705
Phone: 949-863-9740
Email: mfuller@innovativehousing.com

General Partner(s) / Principal Owner(s): IHO-Lincoln Beach LLC
General Partner Type: Nonprofit
Parent Company(ies): Innovative Housing Opportunities
Developer: Innovative Housing Opportunities
Investor/Consultant: CREA LLC
Management Agent(s): Trillium

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 47
No. & % of Tax Credit Units: 46 100%
Federal Set-Aside Elected: 20%/50%
Federal Subsidy: HUD Section 8 Project-based Vouchers (46 Units - 100%)

Information

Set-Aside: N/A
Housing Type: Seniors
Geographic Area: Orange County
CTCAC Project Analyst: Franklin Cui

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	46	80%

Unit Mix

46 1-Bedroom Units
1 2-Bedroom Units
<u>47 Total Units</u>

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
37 1 Bedroom	30%	\$767
9 1 Bedroom	30%	\$767
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,989,500
Construction Costs	\$20,155,492
Rehabilitation Costs	\$0
Construction Contingency	\$1,434,450
Relocation	\$0
Architectural/Engineering	\$1,299,608
Const. Interest, Perm. Financing	\$2,171,706
Legal Fees	\$1,276,670
Reserves	\$285,457
Other Costs	\$1,965,329
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$34,078,212

Residential

Construction Cost Per Square Foot:	\$561
Per Unit Cost:	\$725,068
True Cash Per Unit Cost*:	\$651,634

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank	\$17,611,884	Citibank	\$6,366,637
Anaheim Housing Authority (AHA)	\$6,000,000	Anaheim Housing Authority	\$6,000,000
AHA: Land Donation	\$2,600,000	AHA: Land Donation	\$2,600,000
AHA: Site Prep Note	\$888,350	AHA: Site Prep Note	\$888,350
AHA: Transportation Note	\$60,959	AHA: Transportation Note	\$60,959
Deferred Costs	\$4,320,390	Deferred Developer Fee	\$851,408
Tax Credit Equity	\$2,596,629	Tax Credit Equity	\$17,310,858
		TOTAL	\$34,078,212

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,373,578
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$21,373,578
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,923,622
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	CREA LLC
Federal Tax Credit Factor:	\$0.89991

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Seniors
Self-Score Final:	64.164%
CTCAC Final:	64.164%

Significant Information / Additional Conditions:

Staff noted a per unit cost of \$651,634. The applicant noted that the per unit cost is attributed to construction supply chain challenges - such as material shortages, increased demand, and logistics - as well as increased interest rates.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, the City of Anaheim, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ¼ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	1
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

**Project Staff Report
2024 Second Round
October 2, 2024**

Bella Vista, located at 200 North La Cumbre Road in Santa Barbara, requested and is being recommended for a reservation of \$2,380,366 in annual federal tax credits to finance the new construction of 47 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Santa Barbara Affordable Housing Group and will be located in Senate District 19 and Assembly District 37.

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

Project Number CA-24-172

Project Name Bella Vista

Site Address: 200 North La Cumbre Road
Santa Barbara, CA 93110

County: Santa Barbara

Census Tract: 1.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,380,366	\$0
Recommended:	\$2,380,366	\$0

Applicant Information

Applicant: 200 N La Cumbre Associates, L.P.
Contact: Rob L. Fredericks
Address: 808 Laguna Street
Santa Barbara, CA 93101
Phone: 805-897-1051
Email: rfredericks@hacsb.org

General Partner(s) / Principal Owner(s): Garden Court, Inc.
2nd Story Associates

General Partner Type: Nonprofit

Parent Company(ies): Housing Authority of the City of Santa Barbara
Housing Authority of the City of Santa Barbara

Developer: Santa Barbara Affordable Housing Group

Investor/Consultant: Enterprise Community Partners

Management Agent(s): Housing Authority of the City of Santa Barbara

Project Information

Construction Type: New Construction

Total # Residential Buildings: 1

Total # of Units: 48

No. & % of Tax Credit Units: 47 100%

Federal Set-Aside Elected: 40%/60%

Federal Subsidy: HUD Section 8 Project-based Vouchers (47 Units - 100%)

Information

Set-Aside: N/A

Housing Type: Large Family

Geographic Area: Central Coast Region

CTCAC Project Analyst: Jacob Paixao

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	11	20%
At or Below 50% AMI:	22	40%
At or Below 60% AMI:	14	25%

Unit Mix

15 1-Bedroom Units
21 2-Bedroom Units
<u>12 3-Bedroom Units</u>
48 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
4 1 Bedroom	30%	\$915
7 1 Bedroom	50%	\$1,525
4 1 Bedroom	60%	\$1,830
4 2 Bedrooms	30%	\$1,098
10 2 Bedrooms	50%	\$1,830
6 2 Bedrooms	60%	\$2,196
3 3 Bedrooms	30%	\$1,268
5 3 Bedrooms	50%	\$2,114
4 3 Bedrooms	60%	\$2,537
1 2 Bedrooms	Manager's Unit	\$748

Project Cost Summary at Application

Land and Acquisition	\$6,227,000
Construction Costs	\$35,209,723
Rehabilitation Costs	\$0
Construction Contingency	\$2,381,164
Relocation	\$0
Architectural/Engineering	\$1,093,800
Const. Interest, Perm. Financing	\$2,735,913
Legal Fees	\$100,000
Reserves	\$396,902
Other Costs	\$399,987
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$51,044,489

Residential

Construction Cost Per Square Foot:	\$747
Per Unit Cost:	\$1,063,427
True Cash Per Unit Cost*:	\$914,983

Construction Financing

Source	Amount
Citi Community Capital	\$21,500,000
HACSB ¹ : Seller Carryback	\$5,910,000
HACSB ¹	\$2,380,000
City of Santa Barbara	\$5,000,000
Impact Fee Waiver	\$244,489
Deferred Interest	\$809,200
Deferred Developer Fee	\$2,500,000
General Partner Equity	\$100
Solar Tax Credit Equity	\$123,975
Tax Credit Equity	\$12,576,725

Permanent Financing

Source	Amount
Citi Community Capital	\$14,896,709
HACSB ¹ : Seller Carryback	\$5,910,000
HACSB ¹	\$2,380,000
City of Santa Barbara	\$5,000,000
Impact Fee Waiver	\$244,489
Deferred Interest	\$809,200
Deferred Developer Fee	\$970,832
General Partner Equity	\$100
Solar Tax Credit Equity	\$123,975
Tax Credit Equity	\$20,709,184
TOTAL	\$51,044,489

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

¹Housing Authority of the City of Santa Barbara

Determination of Credit Amount(s)

Requested Eligible Basis:	\$20,345,009
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$26,448,512
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,380,366
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Enterprise Community Partners
Federal Tax Credit Factor:	\$0.87000

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Tie-Breaker Information

First:	Large Family
Self-Score Final:	97.189%
CTCAC Final:	97.043%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$914,983. Applicant noted that the per unit cost is attributed to a podium parking structure that requires costly excavation, grading, and shoring. Additionally, applicant stated as a large family project, the project has multiple bathrooms per unit resulting in increased costs due to design, plumbing installation, and fixtures.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Santa Barbara, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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.

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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.

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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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ¾ mile of a public elementary school	2	2	2
Within ½ mile of a pharmacy	2	2	2
In-unit high speed internet service	2	2	2
Highest or High Resource Area	8	8	8
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.



AGENDA ITEM 6

Resolution 24/25-01 to establish a waiting list of pending applications pursuant to California Code of Regulations, title 4, section 10325, subdivision (h) for a reservation of 2024 second round federal 9% and state LIHTCs and delegating authority to the Executive Director to approve reservations for projects on the Waiting List, provided that credit remains available and those applications are complete, eligible and financially feasible

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
RESOLUTION NO. 24/25-01
October 2, 2024**

RESOLUTION ESTABLISHING A WAITING LIST OF REMAINING PENDING APPLICATIONS FOR A RESERVATION OF 2024 SECOND ROUND FEDERAL NINE PERCENT (9%) AND STATE LOW INCOME HOUSING TAX CREDITS AND DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR TO APPROVE RESERVATIONS FOR PROJECTS ON THE WAITING LIST, PROVIDED THAT CREDIT REMAINS AVAILABLE AND THOSE APPLICATIONS ARE COMPLETE, ELIGIBLE AND FINANCIALLY FEASIBLE

WHEREAS, the California Tax Credit Allocation Committee (“CTCAC”) is responsible for administering the Federal and State Low Income Housing Tax Credit (“LIHTC”) programs in California (Health & Saf. Code, §50199.4 et seq.); and

WHEREAS, California Code of Regulations, title 4, section 10325, subdivision (h) authorizes CTCAC to establish a waiting list of pending applications in anticipation of utilizing LIHTCs that remain and are not reserved by applicants that expires at Midnight on December 31 of the year it is established; and

WHEREAS, the projects listed in Exhibit A to this resolution are pending 2024 second round applications seeking reservations of federal 9% and state LIHTCs and have been ranked based on the applicant’s self-score but may not have been fully evaluated for scoring, project completeness, eligibility, financial feasibility or conformance with all aspects of CTCAC’s regulations, with it being understood that inclusion on the waiting list does not guarantee a reservation of LIHTCs; and

WHEREAS, the projects listed in Exhibit A to this resolution may file an appeal pursuant to California Code of Regulations, title 4, section 10330; and

WHEREAS, the projects listed in Exhibit A are subject to change contingent on CTCAC’s action on the recommended reservations for 2024 second round of federal 9% and state LIHTCs, scheduled to be heard at the October 2, 2024, CTCAC meeting; and

WHEREAS, pursuant to Health and Safety Code section 50199.8, CTCAC is authorized to delegate to the Executive Director any powers and duties that may be deemed proper; and

WHEREAS, allowing the Executive Director to make preliminary reservations to projects listed in Exhibit A to this resolution in the interest of administrative efficiencies.

NOW, THEREFORE, BE IT RESOLVED that CTCAC establishes Exhibit A as a waiting list of pending 2024 second round applications seeking reservations of federal 9% and state LIHTCs in anticipation of using any LIHTCs that may remain and are not reserved by applicants and delegates to the Executive Director, or the Deputy Executive Director in the Executive Director’s absence, the authorization to offer preliminary reservations of LIHTCs to projects on the waiting

list, subject to staff evaluation and determination of scoring, project completeness, eligibility and conformance with all the following:

- (1) The requirements of California Code of Regulations, title 4, section 10325, subdivision (h);
- (2) Conditions recommended in project staff reports, reservation letters, and carryover allocation agreements; and
- (3) Conditions of this resolution.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon its adoption and be repealed on January 1, 2025.

Attest:

Chair

Date of Adoption: October 2, 2024

EXHIBIT A
2024 9% Preliminary Waiting List
CTCAC Regulation §10325(h)
 October 2, 2024

§10325(h)(2)							
Project Number	Project Name	Housing Type	City	Federal Credit Requested	State Credit Requested	Point Score*	Tie Breaker Score*
CITY OF LOS ANGELES							
CA-24-086	Grace Villas	Special Needs	Los Angeles	\$2,500,000	\$6,410,255	109.00	67.051%
CA-24-158	Hope on 6th	Special Needs	Los Angeles	\$2,500,000	\$6,406,959	109.00	54.652%
CA-24-106	Oune House	Special Needs	Los Angeles	\$2,500,000	\$10,131,005	109.00	49.607%
CA-24-146	The Main	Special Needs	Los Angeles	\$2,500,000	\$15,047,929	109.00	46.930%
NORTHERN REGION							
CA-24-096	Lincoln Street Senior Apartments	Seniors	Oroville	\$2,061,726	\$0	109.00	58.018%
CA-24-109	Placer Street Apartments	Large Family HR	Redding	\$2,500,000	\$8,333,328	109.00	48.706%
CA-24-143	Marina Towers Annex	Seniors	Vallejo	\$1,125,000	\$0	109.00	43.097%
CA-24-124	Rovina Lane Apartments	Large Family HR	Petaluma	\$1,791,694	\$0	109.00	20.732%
ORANGE COUNTY							
CA-24-151	15081 Jackson	Special Needs	Midway City	\$2,500,000	\$6,324,164	109.00	61.885%

*Point and/or tie-breaker score may not have been completed and self-scores may be reflected above.

NOTE: The top to bottom order of geographic regions only is the order for potential reservations starting with the most undersubscribed geographic region. The list starts with the most undersubscribed geographic region at the top (City of Los Angeles) down to the least geographic region at the bottom (Orange County). Projects that are reserved credit from this waiting list will be accounted against that geographic region's beginning balance in 2025.

1. These projects have not been reviewed for completeness or threshold regulatory requirements, and may not have been reviewed for scoring.
2. Only the highest ranked project in a given region may be considered for reservation. The ranking order is subject to change as CTCAC staff completes the review process.
3. As prescribed by regulation, the list starts with the most undersubscribed geographic region.
4. Credits reserved from projects on this waiting list will be counted against that geographic region's starting balance in 2025.

§10325(h)(3)							
Project Number	Project Name	Housing Type	City	Federal Credit Requested	State Credit Requested	Point Score*	Tie Breaker Score*
GENERAL POOL							
CA-24-104	St. Paul Terrace	Large Family HR	Berkeley	\$2,500,000	\$1,324,838	109.00	92.295%
CA-24-127	1740 San Pablo	Large Family HR	Berkeley	\$2,500,000	\$1,324,820	109.00	91.038%
CA-24-164	Blackstone Senior Apartments	Seniors	Fresno	\$1,533,509	\$0	109.00	81.436%
CA-24-076	Tracy Senior Housing Phase I	Seniors	Tracy	\$1,648,840	\$0	109.00	81.409%
CA-24-094	North Housing PSH II	Special Needs	Alameda	\$2,183,375	\$0	109.00	81.007%
CA-24-134	La Trinidad Apartments	Special Needs	Los Angeles	\$2,075,356	\$0	109.00	80.945%
CA-24-080	Seventh Street Village	Large Family	Modesto	\$2,500,000	\$8,333,333	109.00	75.539%
CA-24-111	Parkside Apartments	Large Family HR	Lakeport	\$1,713,181	\$0	109.00	73.806%
CA-24-108	Parkside Inn Phase I	Special Needs	Fresno	\$1,394,899	\$2,906,636	109.00	72.270%
CA-24-095	Cypress Point	Large Family HR	Moss Beach (unincorporated)	\$2,500,000	\$15,521,248	109.00	71.413%
CA-24-107	Santa Teresa Multifamily	Special Needs	San Jose	\$2,500,000	\$6,431,284	109.00	71.314%
CA-24-162	The Hunter House	Special Needs	Stockton	\$2,500,000	\$13,029,307	109.00	70.689%
CA-24-145	Dry Creek Commons	Large Family HR	Healdsburg	\$2,493,696	\$0	109.00	70.453%
CA-24-161	San Joaquin Sr., San Joaquin Apts., California Apts.	Large Family	San Joaquin	\$1,080,165	\$0	109.00	70.158%
CA-24-105	Avalon Commons Phase II	Large Family HR	Fresno	\$2,380,107	\$0	109.00	69.745%
CA-24-156	Clark Road Apartments	Large Family HR	Paradise	\$2,500,000	\$8,333,321	109.00	68.903%
CA-24-115	Mountain Townhomes	Large Family HR	Mount Shasta	\$1,037,174	\$0	109.00	67.181%
CA-24-138	Reedley Elderly	Seniors	Reedley	\$432,972	\$1,443,240	109.00	67.067%
CA-24-086	Grace Villas	Special Needs	Los Angeles	\$2,500,000	\$6,410,255	109.00	67.051%
CA-24-159	Oak View Ranch Senior Apartments	Special Needs	Murrieta	\$2,500,000	\$1,143,727	109.00	67.015%
CA-24-114	Santa Cruz Veterans Village	Special Needs	Ben Lomond	\$1,224,237	\$0	109.00	66.641%

*Point and/or tie-breaker score may not have been completed and self-scores may be reflected above.

NOTE: The general pool list above is in order of point score and tie breaker without regard to set-aside or geographic region.

1. Some projects have not been reviewed for completeness or threshold regulatory requirements, and may not have been reviewed for scoring.
2. The ranking order is subject to change as CTCAC staff completes the review process.
3. Except for Rural projects, credits reserved from projects on this waiting list will be counted against that geographic region's starting balance in 2025.
4. Credit will not be reserved if there are insufficient tax credits to fully fund the next ranked application pursuant to §10325(h)(4), except that CTCAC may exceed the amount of available credits if necessary to qualify for the national pool.

NOTE: The waiting list of pending applications is subject to change pending Committee approval of the recommended reservations for the 2024 second round of federal 9% and state low-income housing tax credits and expires at Midnight on December 31, 2024.



California Tax Credit Allocation Committee

AGENDA ITEM 7

Public Comment



California Tax Credit Allocation Committee

AGENDA ITEM 8

Adjournment