

**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

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
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 &amp; 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
<b>Total</b>	<b>\$25,025,517</b>

## 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 <sup>1</sup>	\$5,025,517	TEDA <sup>1</sup>	\$5,025,517
Tax Credit Equity	\$20,000,000	Tax Credit Equity	\$20,000,000
		<b>TOTAL</b>	<b>\$25,025,517</b>

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

<sup>1</sup>Tuolumne 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:	<b>Large Family</b>
Self-Score Final:	<b>64.678%</b>
CTCAC Final:	<b>64.678%</b>

## 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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**