

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.

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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.