

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 REAPPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.