

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		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citi Community Capital	\$21,500,000	Citi Community Capital	\$14,896,709
HACSB ¹ : Seller Carryback	\$5,910,000	HACSB ¹ : Seller Carryback	\$5,910,000
HACSB ¹	\$2,380,000	HACSB ¹	\$2,380,000
City of Santa Barbara	\$5,000,000	City of Santa Barbara	\$5,000,000
Impact Fee Waiver	\$244,489	Impact Fee Waiver	\$244,489
Deferred Interest	\$809,200	Deferred Interest	\$809,200
Deferred Developer Fee	\$2,500,000	Deferred Developer Fee	\$970,832
General Partner Equity	\$100	General Partner Equity	\$100
Solar Tax Credit Equity	\$123,975	Solar Tax Credit Equity	\$123,975
Tax Credit Equity	\$12,576,725	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

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:	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.

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 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.