

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
Project Staff Report  
Qualified Private Activity Tax-Exempt Bond Project  
December 11, 2024**

Pioneer Drive Apartments, located at 3299 Pioneer Drive in Bakersfield on a 5.41 acre site, requested and is being recommended for a reservation of \$1,041,975 in annual federal tax credits and \$14,500,000 of tax-exempt bond cap to finance the new construction of 85 units of housing, consisting of 84 restricted rental units and 1 unrestricted manager's unit. The project will have 78 one-bedroom units, 6 two-bedroom units, and 1 three-bedroom unit, serving special needs tenants with rents affordable to households earning 30%-40% of area median income (AMI). The construction is expected to begin in June 2025 and be completed in December 2026. 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. The project financing includes state funding from the No Place Like Home (NPLH) program of HCD.

**Project Number** CA-24-597

**Project Name** Pioneer Drive Apartments  
Site Address: 3299 Pioneer Drive  
Bakersfield, CA 93306  
County: Kern  
Census Tract: 11.05

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,041,975	\$0
Recommended:	\$1,041,975	\$0

**Tax-Exempt Bond Allocation**  
Recommended: \$14,500,000

**CTCAC Applicant Information**  
CTCAC Applicant/CDLAC Sponsor: Pioneer Drive Apartments LP  
Contact: Stephen M. Pelz  
Address: 601 24th Street, Suite B  
Bakersfield, CA 93301  
Phone: 661-631-8500  
Email: Spelz@kernha.org

**Bond Financing Information**  
CDLAC Applicant/Bond Issuer: Housing Authority of the County of Kern  
Bond Counsel: Jones Hall, A Professional Law Corporation  
Private Placement Purchaser: East West Bank

**Development Team**

General Partner(s) or Principal Owner(s): GEAHI Pioneer Apartments LLC  
 Kern Housing XVI LLC  
 General Partner Type: Nonprofit  
 Parent Company(ies): Golden Empire Affordable Housing, Inc.  
 Housing Authority of the County of Kern  
 Developer: Housing Authority of the County of Kern  
 Investor/Consultant: PNC Bank  
 Management Agent: Housing Authority of the County of Kern

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 15  
 Total # of Units: 85  
 No. / % of Low Income Units: 84 100.00%  
 Average Targeted Affordability: 32.16%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt / HOME and HOME ARP /  
 HUD Section 8 Project-based Vouchers (84 Units - 100%).

**Information**

Housing Type: Special Needs  
 Geographic Area: Central Valley Region  
 State Ceiling Pool: New Construction  
 Set Aside: Homeless Set Aside  
 Homeless Set Aside Units: 84  
 CDLAC Project Analyst: Brandon Medina  
 CTCAC Project Analyst: Ruben Barcelo

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	41	49%
40% AMI:	43	51%

**Unit Mix**

78 1-Bedroom Units
6 2-Bedroom Units
1 3-Bedroom Units
<u>85 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
41 1 Bedroom	30%	\$438
37 1 Bedroom	40%	\$619
6 2 Bedrooms	40%	\$743
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$603,000
Construction Costs	\$19,110,000
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$955,500
Soft Cost Contingency	\$100,000
Relocation	\$0
Architectural/Engineering	\$725,000
Const. Interest, Perm. Financing	\$1,489,830
Legal Fees	\$215,000
Reserves	\$749,494
Other Costs	\$1,759,536
Developer Fee	\$2,500,000
Commercial Costs	\$0
<b>Total</b>	<b>\$28,207,360</b>

**Residential**

Construction Cost Per Square Foot:	\$402
Per Unit Cost:	\$331,851
Estimated Hard Per Unit Cost:	\$204,222
True Cash Per Unit Cost*:	\$309,680
Bond Allocation Per Unit:	\$170,588
Bond Allocation Per Restricted Rental Unit:	\$172,619

**Construction Financing**

Source	Amount
East West Bank: Tax-Exempt	\$14,500,000
East West Bank: Taxable	\$2,000,000
Kern County: HOME-ARP	\$4,500,000
Kern County: HOME	\$750,000
Kern County Housing Authority	\$1,757,593
Deferred Costs	\$2,458,475
Tax Credit Equity	\$2,241,292

**Permanent Financing**

Source	Amount
East West Bank: Tax-Exempt	\$4,300,000
HCD: NPLH	\$5,550,000
Kern County: HOME-ARP	\$4,500,000
Kern County: HOME	\$750,000
Kern County Housing Authority	\$1,757,593
Kern County Housing Authority	\$500,000
Deferred Developer Fee	\$1,884,602
Solar Tax Credit Equity	\$108,375
Tax Credit Equity	\$8,856,790
<b>TOTAL</b>	<b>\$28,207,360</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$26,051,988
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$26,051,988
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,041,975
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Federal Tax Credit Factor:	\$0.85000

Except as allowed for projects basing cost on assumed third party debt, the "as if vacant" land value and the existing improvement value established at application for all projects, 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. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**CTCAC Significant Information / Additional Conditions**

The project will restrict 84 (100%) of the units to serve special needs tenants consisting of homeless and mentally disabled populations.

**CDLAC Analyst Comments:** None.

**Resyndication and Resyndication Transfer Event:** None.

**Standard Conditions**

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee's next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

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 reservation 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.

**CDLAC Additional Conditions**

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

If points were awarded by CDLAC for housing type, the project shall comply with the housing type requirements at the time of CTCAC's Placed In Service review. The housing type requirement shall be conditioned in the CTCAC Regulatory Agreement and CTCAC Compliance staff shall verify the project is meeting those housing type requirements, consistent with California Code of Regulations, title 4, section 10322(i).

<b>Point Criteria</b>	<b>New Const. Max. Points</b>	<b>Rehabilitation Max. Points</b>	<b>Points Scored</b>
Preservation and Other Rehabilitation Project Priorities	0	20	0
New Construction Density and Local Incentives	10	0	0
Exceeding Minimum Income Restrictions	20	20	10
Exceeding Minimum Rent Restrictions	10	10	20
General Partner Experience	7	7	10
Management Company Experience	3	3	7
Housing Needs	10	0	3
Leveraged Soft Resources	8	8	10
Readiness to Proceed	10	10	8
Affirmatively Furthering Fair Housing	10	0	10
Site Amenities	10	10	9
Service Amenities	10	10	10
Cost Containment	12	12	10
Negative Points	No Maximum		12
<b>Total Points</b>	120	110	0

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.

**Tie Breaker:** .000%