

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

Almond Gardens Apartments, located at 707 - 815 Almond Street in Suisun City on a 3.19 acre site, requested and is being recommended for a reservation of \$2,917,820 in annual federal tax credits and \$5,994,579 in total state tax credits and \$30,276,660 of tax-exempt bond cap to finance the new construction of 97 units of housing, consisting of 96 restricted rental units and 1 unrestricted manager's unit. The project will have 57 two-bedroom units, 30 three-bedroom units, and 10 four-bedroom units, serving tenants with rents affordable to households earning 30%-50% of area median income (AMI). The construction is expected to begin in June 2025 and be completed in January 2027. The project will be developed by Harbor Park, LLC and will be located in Senate District 3 and Assembly District 11.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-24-602

Project Name Almond Gardens Apartments
Site Address: 707 - 815 Almond Street
Suisun City, CA 94585
County: Solano
Census Tract: 2527.02

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,917,820	\$5,994,579
Recommended:	\$2,917,820	\$5,994,579

* The applicant made an election to sell (Certificate) all or any portion of the state credits.

Tax-Exempt Bond Allocation
Recommended: \$30,276,660

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Harbor Park, LLC
Applicant for State Credits: Sudie M. Smith Foundation, Inc.
Contact: Camran Nojoomi
Address: 9700 Village Center Drive, Suite 120
Granite Bay , CA 95746
Phone: (707) 803-2816
Email: camran.nojoomi@ashrialc.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: CMFA
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citi Community Capital

Development Team

General Partner(s) or Principal Owner(s): Harbor Park, LLC
 Sudie M. Smith Foundation, Inc.
 General Partner Type: Joint Venture
 Parent Company(ies): Harbor Park, LLC
 Sudie M. Smith Foundation, Inc.
 Developer: Harbor Park, LLC
 Investor/Consultant: CREA
 Management Agent: Domus Management Company

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 5
 Total # of Units: 97
 No. / % of Low Income Units: 96 100.00%
 Average Targeted Affordability: 39.99%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (96 Units - 100%)

Information

Housing Type: Non-Targeted
 Geographic Area: Northern Region
 State Ceiling Pool: New Construction
 Set Aside: Extremely Low/Very Low Income Set Aside
 CDLAC Project Analyst: Erin Deblaquiere
 CTCAC Project Analyst: Cynthia Compton

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	48	50%
50% AMI:	48	50%

Unit Mix

57 2-Bedroom Units
 30 3-Bedroom Units
 10 4-Bedroom Units

 97 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
28 2 Bedrooms	30%	\$849
28 2 Bedrooms	50%	\$1,416
15 3 Bedrooms	30%	\$981
15 3 Bedrooms	50%	\$1,635
5 4 Bedrooms	30%	\$1,095
5 4 Bedrooms	50%	\$1,825
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,557,898
Construction Costs	\$40,335,644
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,009,265
Soft Cost Contingency	\$500,000
Relocation	\$3,120,000
Architectural/Engineering	\$1,000,000
Const. Interest, Perm. Financing	\$5,680,198
Legal Fees	\$350,000
Reserves	\$682,325
Other Costs	\$3,571,723
Developer Fee	\$7,318,947
Commercial Costs	\$0
Total	\$66,126,000

Residential

Construction Cost Per Square Foot:	\$516
Per Unit Cost:	\$681,711
Estimated Hard Per Unit Cost:	\$373,246
True Cash Per Unit Cost*:	\$611,426
Bond Allocation Per Unit:	\$312,131
Bond Allocation Per Restricted Rental Unit:	\$315,382

Construction Financing

<u>Source</u>	<u>Amount</u>
Citibank: Tax-Exempt	\$30,276,660
Citibank: Taxable	\$17,760,623
Suisun City: Land	\$850,000
Impact Fee Waiver	\$1,535,881
Deferred Developer Fee	\$11,183,983
Tax Credit Equity	\$4,518,853

Permanent Financing

<u>Source</u>	<u>Amount</u>
Citibank: Tax-Exempt	\$28,332,648
Suisun City: Land	\$850,000
Impact Fee Waiver	\$1,535,881
Deferred Developer Fee	\$5,281,785
Tax Credit Equity	\$30,125,686
TOTAL	\$66,126,000

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$56,111,931
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$72,945,510
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,917,820
Total State Credit:	\$5,994,579
Approved Developer Fee (in Project Cost & Eligible Basis):	\$7,318,947
Federal Tax Credit Factor:	\$0.85991
State Tax Credit Factor:	\$0.83992

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: None.

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).

Point Criteria	New Const. Max. Points	Rehabilitation Max. Points	Points Scored
Preservation and Other Rehabilitation Project Priorities	0	20	0
New Construction Density and Local Incentives	10	0	10
Exceeding Minimum Income Restrictions	20	20	20
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	9
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	119

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: 166.585%