

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

JFM Villas Senior Apartments, located at 47135 Van Buren Street in Indio on a 2.58 acre site, requested and is being recommended for a reservation of \$1,838,213 in annual federal tax credits and \$6,550,729 in total state tax credits and \$19,846,311 of tax-exempt bond cap to finance the new construction of 50 units of housing, consisting of 49 restricted rental units and 1 unrestricted manager's unit. The project will have 16 studio units, 24 one-bedroom units, and 10 two-bedroom units, serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in May 2025 and be completed in November 2026. The project will be developed by Coachella Valley Housing Coalition and will be located in Senate District 18 and Assembly District 56.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract. The project financing includes state funding from the Multifamily Housing Program (MHP) and the Joe Serna, Jr. Farmworker Housing Grant (FWHG) programs of HCD.

Project Number CA-24-639

Project Name JFM Villas Senior Apartments
Site Address: 47135 Van Buren Street
Indio, CA 92201
County: Riverside
Census Tract: 495.01

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,838,213	\$6,550,729
Recommended:	\$1,838,213	\$6,550,729

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

Tax-Exempt Bond Allocation
Recommended: \$19,846,311

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: The Coachella Valley Housing Coalition
Contact: Mary Ann Ybarra
Address: 45701 Monroe Street, Suite G
Indio, CA 92201
Phone: (760) 347-3157
Email: maryann.ybarra@cvhc.org

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority
Bond Counsel: Anzel Galvan LLP
Private Placement Purchaser: Bank of America, N.A.

Development Team

General Partner(s) or Principal Owner(s): JFM Villas LLC
 General Partner Type: Nonprofit
 Parent Company(ies): The Coachella Valley Housing Coalition
 Developer: Coachella Valley Housing Coalition
 Investor/Consultant: Community Economics, Inc.
 Management Agent: Hyder & Company

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 50
 No. / % of Low Income Units: 49 100.00%
 Average Targeted Affordability: 39.39%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers
 (25 Units - 50%)

Information

Housing Type: Seniors
 Geographic Area: Inland Empire Region
 State Ceiling Pool: New Construction
 Set Aside: N/A
 CDLAC Project Analyst: Amit Sarang
 CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	17	35%
40% AMI:	19	39%
50% AMI:	12	24%
60% AMI:	1	2%

Unit Mix

16 SRO/Studio Units
24 1-Bedroom Units
10 2-Bedroom Units
<u>50 Total Units</u>

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
3 SRO/Studio	30%	\$538
2 SRO/Studio	30%	\$538
2 SRO/Studio	40%	\$718
4 SRO/Studio	40%	\$718
4 SRO/Studio	50%	\$897
1 SRO/Studio	50%	\$897
7 1 Bedroom	30%	\$576
2 1 Bedroom	30%	\$576
2 1 Bedroom	40%	\$769
8 1 Bedroom	40%	\$769
4 1 Bedroom	50%	\$961
1 1 Bedroom	60%	\$1,153
1 2 Bedrooms	30%	\$691
2 2 Bedrooms	30%	\$691
1 2 Bedrooms	40%	\$922
2 2 Bedrooms	40%	\$922
1 2 Bedrooms	50%	\$1,152
2 2 Bedrooms	50%	\$1,152
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,065,000
Construction Costs	\$24,071,045
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,435,863
Soft Cost Contingency	\$300,000
Relocation	\$0
Architectural/Engineering	\$1,405,840
Const. Interest, Perm. Financing	\$4,051,871
Legal Fees	\$170,000
Reserves	\$425,396
Other Costs	\$2,172,792
Developer Fee	\$3,500,000
Commercial Costs	\$0
Total	\$38,597,807

Residential

Construction Cost Per Square Foot:	\$617
Per Unit Cost:	\$771,956
Estimated Hard Per Unit Cost:	\$417,271
True Cash Per Unit Cost*:	\$745,956
Bond Allocation Per Unit:	\$396,926
Bond Allocation Per Restricted Rental Unit:	\$405,027

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Bank of America: Tax-Exempt	\$19,846,311	Bank of America: Tax-Exempt	\$2,222,900
Bank of America: Taxable	\$10,673,877	HCD: MHP	\$9,736,634
HCD: FWHG	\$2,698,773	HCD: FWHG	\$2,698,773
Tax Credit Equity	\$2,178,450	Deferred Developer Fee	\$1,300,000
		General Partner Equity	\$1,000,000
		Tax Credit Equity	\$21,639,500
		TOTAL	\$38,597,807

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$35,350,249
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$45,955,323
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,838,213
Total State Credit:	\$6,550,729
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,500,000
Federal Tax Credit Factor:	\$0.89211
State Tax Credit Factor:	\$0.80000

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

Staff noted a per unit development cost of \$745,956. The applicant noted that the per unit cost is attributed to inflation, prevailing wage costs, high cost of multiple key materials, holding cost, and construction cost.

The current legal description is part of a larger site and the project site’s parcel (legal description and APN) have not yet been finalized. The legal description and APN for CA-24-639 must be completed as part of the placed in service package.

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: 65.753%