

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

Pacific Crest Commons, located at 10077 State Highway 89 South in Truckee on a 1.75 acre site, requested and is being recommended for a reservation of \$1,942,919 in annual federal tax credits and \$21,000,000 of tax-exempt bond cap to finance the new construction of 55 units of housing, consisting of 54 restricted rental units and 1 unrestricted manager's unit. The project will have 11 studio units, 16 one-bedroom units, 14 two-bedroom units, and 14 three-bedroom units, serving families with rents affordable to households earning 20%-80% 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 Pacific West Communities, Inc. and will be located in Senate District 1 and Assembly District 1.

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), Infill Infrastructure Grant (IIG) and Local Government Matching Grant (LGMG) programs of HCD.

Project Number CA-24-691

Project Name Pacific Crest Commons
Site Address: 10077 State Highway 89 South
Truckee, CA 96161
County: Nevada
Census Tract: 12.09

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,942,919	\$0
Recommended:	\$1,942,919	\$0

Tax-Exempt Bond Allocation
Recommended: \$21,000,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Truckee Pacific Crest Associates, a
California Limited Partnership
Contact: Caleb Roope
Address: 430 East State Street, Suite 100
Eagle, ID 83616
Phone: 208.461.0022
Email: calebr@tpchousing.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority (CMFA)
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: California Bank & Trust

Development Team

General Partner(s) or Principal Owner(s): Building Better Partnerships, Inc.
 TPC Holdings IX, LLC

General Partner Type: Joint Venture

Parent Company(ies): Building Better Partnerships, Inc.
 The Pacific Companies

Developer: Pacific West Communities, Inc.

Investor/Consultant: Boston Financial

Management Agent: Cambridge Real Estate Services

Project Information

Construction Type: New Construction

Total # Residential Buildings: 2

Total # of Units: 55

No. / % of Low Income Units: 54 100.00%

Average Targeted Affordability: 59.65%

Federal Set-Aside Elected: 40%/60% Average Income

Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers
 (10 Units - 19%)

Information

Housing Type: Large Family

Geographic Area: N/A

State Ceiling Pool: N/A

Set Aside: N/A

Homeless Set Aside Units: 10

CDLAC Project Analyst: Daisy Andrade

CTCAC Project Analyst: Nick White

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	10	19%
50% AMI:	6	11%
60% AMI:	16	30%
80% AMI*:	22	41%

*CTCAC restricted only

Unit Mix

11 SRO/Studio Units

16 1-Bedroom Units

14 2-Bedroom Units

14 3-Bedroom Units

55 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 SRO/Studio	20%	\$365
1 SRO/Studio	50%	\$912
1 SRO/Studio	60%	\$1,095
4 SRO/Studio	80%	\$1,460
5 1 Bedroom	20%	\$391
2 1 Bedroom	50%	\$977
2 1 Bedroom	60%	\$1,173
6 1 Bedroom	80%	\$1,564
2 2 Bedrooms	50%	\$1,172
6 2 Bedrooms	60%	\$1,407
6 2 Bedrooms	80%	\$1,876
1 3 Bedrooms	50%	\$1,355
7 3 Bedrooms	60%	\$1,626
6 3 Bedrooms	80%	\$2,168
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,619,705
Construction Costs	\$24,991,340
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,300,000
Soft Cost Contingency	\$350,000
Relocation	\$0
Architectural/Engineering	\$985,000
Const. Interest, Perm. Financing	\$2,128,400
Legal Fees	\$170,000
Reserves	\$377,290
Other Costs	\$2,261,212
Developer Fee	\$4,873,543
Commercial Costs	\$0
Total	\$40,056,490

Residential

Construction Cost Per Square Foot:	\$384
Per Unit Cost:	\$728,300
Estimated Hard Per Unit Cost:	\$390,822
True Cash Per Unit Cost*:	\$646,482
Bond Allocation Per Unit:	\$381,818
Bond Allocation Per Restricted Rental Unit:	\$656,250

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
CB&T ¹ : Tax-Exempt	\$21,000,000	CB&T ¹ : Tax-Exempt	\$6,700,000
CB&T ¹ : Taxable	\$7,324,634	CA DGS ² : Ground Lease	\$1,760,000
CA DGS ² : Ground Lease	\$1,760,000	HCD: IIG	\$1,089,134
HCD: IIG	\$1,089,134	HCD: LGMG	\$5,000,000
Town of Truckee	\$1,000,000	HCD: NPLH	\$2,688,468
Regional Housing Authority	\$1,000,000	Town of Truckee	\$1,000,000
Deferred Cost	\$377,290	Regional Housing Authority	\$1,000,000
Deferred Developer Fee	\$4,873,543	Deferred Developer Fee	\$4,500,000
Tax Credit Equity	\$1,631,889	Tax Credit Equity	\$16,318,888
		TOTAL	\$40,056,490

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

¹California Bank & Trust

²California Department of General Services

Determination of Credit Amount(s)

Requested Eligible Basis:	\$37,363,833
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$48,572,983
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,942,919
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,873,543
Federal 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

Staff noted a per unit development cost of \$646,482 per unit. The applicant noted that the per unit cost is attributed to structural requirements, limited subcontractors, limited building season and prevailing wages.

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	10
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	120

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: 55.299%