

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**Tax-Exempt Bond Project**  
**July 18, 2018**

Parkside at Vast Oak, located South of Keiser Avenue and East of Snyder Lane in Rohnert Park, requested and is being recommended for a reservation of \$3,855,830 in annual federal tax credits to finance the new construction of 216 units of housing serving large families with rents affordable to households earning 50-70% of area median income (AMI). The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 3 and Assembly District 4.

**Project Number** CA-18-601

**Project Name** Parkside at Vast Oak  
 Site Address: South of Keiser Avenue and East of Snyder Lane  
 Rohnert Park, CA 94928 County: Sonoma  
 Census Tract: 1513.09

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$3,855,830	\$0
Recommended:	\$3,855,830	\$0

**Applicant Information**

Applicant: Rohnert Park Pacific Associates, a California Limited Partnership  
 Contact: Caleb Roope  
 Address: 430 E. State Street, Suite 100  
 Eagle, ID 83616  
 Phone: 208.461.0022  
 Email: calebr@tpchousing.com

General Partner(s) or Principal Owner(s): TPC Holdings V, LLC  
 Pacific Housing, Inc.  
 General Partner Type: Joint Venture  
 Parent Company(ies): TPC Holdings V, LLC  
 Pacific Housing, Inc.  
 Developer: Pacific West Communities, Inc.  
 Investor/Consultant: Boston Capital  
 Management Agent: Aperto Property Management

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 9  
 Total # of Units: 218  
 No. / % of Low Income Units: 216 100.00%  
 Federal Set-Aside Elected: 40%/60% Average Income  
 Federal Subsidy: Tax-Exempt

**Bond Information**

Issuer: California Housing Finance Agency  
 Expected Date of Issuance: August 1, 2018

**Information**

Housing Type: Large Family  
 Geographic Area: Northern Region  
 TCAC Project Analyst: Lucy Vang

**55-Year Use / Affordability**

<b>Aggregate Targeting Number of Units</b>	<b>Percentage of Affordable Units</b>
At or Below 50% AMI: 119	55%
At or Below 70% AMI: 97	45%

**Unit Mix**

27 1-Bedroom Units  
 141 2-Bedroom Units  
 50 3-Bedroom Units  


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 218 Total Units

<b>Unit Type &amp; Number</b>	<b>2018 Rents Targeted % of Area Median Income</b>	<b>2018 Rents Actual % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
25 1 Bedroom	50%	50%	\$921
2 1 Bedroom	70%	70%	\$1,289
70 2 Bedrooms	50%	50%	\$1,105
71 2 Bedrooms	70%	70%	\$1,547
24 3 Bedrooms	50%	50%	\$1,276
24 3 Bedrooms	70%	70%	\$1,787
2 3 Bedrooms	Manager's Unit	Manager's Unit	\$0

TCAC-confirmed Projected Lifetime Rent Benefit: \$119,394,000

**Project Cost Summary at Application**

Land and Acquisition	\$5,736,301
Construction Costs	\$56,364,068
Rehabilitation Costs	\$0
Construction Contingency	\$3,100,000
Relocation	\$0
Architectural/Engineering	\$890,000
Const. Interest, Perm. Financing	\$5,885,500
Legal Fees, Appraisals	\$100,000
Reserves	\$1,799,753
Other Costs	\$9,712,945
Developer Fee	\$9,800,000
Commercial Costs	\$0
<b>Total</b>	<b>\$93,388,567</b>

**Residential**

Construction Cost Per Square Foot:	\$307
Per Unit Cost:	\$428,388
True Cash Per Unit Cost*:	\$400,223

**Construction Financing**

Source	Amount
Citibank, N.A. (Series A)	\$54,000,000
Bonneville (Series B)	\$17,500,000
Deferred Cost	\$1,799,753
Deferred Developer Fee	\$9,800,000
Tax Credit Equity	\$10,288,814

**Permanent Financing**

Source	Amount
Citibank, N.A. (Series A)	\$27,000,000
Bonneville (Series B)	\$17,500,000
Master Developer - Off-Site Loan	\$5,736,301
Deferred Developer Fee	\$6,140,000
Tax Credit Equity	\$37,012,266
<b>TOTAL</b>	<b>\$93,388,567</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$90,704,065
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$117,915,285
Applicable Rate:	3.27%
Maximum Annual Federal Credit:	\$3,855,830
Approved Developer Fee (in Project Cost & Eligible Basis):	\$9,800,000
Investor/Consultant:	Boston Capital
Federal Tax Credit Factor:	\$0.95990

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.

**Eligible Basis and Basis Limit**

Requested Unadjusted Eligible Basis:	\$90,704,065
Actual Eligible Basis:	\$90,704,065
Unadjusted Threshold Basis Limit:	\$91,862,732
Total Adjusted Threshold Basis Limit:	\$150,382,221

**Adjustments to Basis Limit**

Local Development Impact Fees  
55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 55%

**Cost Analysis and Line Item Review**

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC’s underwriting guidelines and TCAC limitations. Annual operating expenses exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.27% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

**Significant Information / Additional Conditions:** None.

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

**Local Reviewing Agency**

The Local Reviewing Agency, the City of Rohnert Park, has completed a site review of this project and strongly supports this project.

**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.

The IRS has advised TCAC that the amount of tax-exempt bonds issued, equivalent to at least 50% of aggregate basis, must remain in place through the first year of the credit period or until eligible basis is finally determined.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

**CDLAC Additional Conditions:** None.