CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
January 15, 2020

Westview Village Phase III, located at 285 W. Barnett Street & 1069 Riverside Street in Ventura, requested and is being recommended for a reservation of $2,510,348 in annual federal tax credits and $5,933,486 in total state tax credits to finance the to finance the new construction of 104 units of housing serving large families with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Homecomings Inc. and will be located in Senate District 19 and

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers and HUD RAD Project-based vouchers. The project financing includes state funding from the AHSC program of HCD.

Project Number	CA-20-433

Project Name	Westview Village Phase III	
Site Address:	285 W. Barnett St. & 1069 Riverside St.	
	Ventura, CA 93001	County: Ventura
Census Tract:	23.00	

Tax Credit Amounts	**Federal/Annual**	**State/Total** *
Requested:	$2,510,348	$5,933,486
Recommended:	$2,510,348	$5,933,486

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

Applicant Information

Applicant:	Homecomings, Inc.
Contact:	Karen Flock
Address:	995 Riverside Street Ventura, CA 93001
Phone:	805-648-5008
Email:	kflock@hacityventura.org

General Partner(s) or Principal Owner(s):	Homecomings Inc.
General Partner Type:	Nonprofit
Parent Company(ies):	Housing Authority of the City of San Buenaventura
Developer:	Homecomings Inc.
Investor/Consultant:	California Housing Partnership
Management Agent:	Housing Authority of the City of San Buenaventura

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	12
Total # of Units:	105
No. / % of Low Income Units:	104 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD RAD Project-based Vouchers (67 units - 64%) HUD Section 8 Project-Based Vouchers (37 Units - 36%)

Bond Information

Issuer:	Housing Authority of the City of San Buenaventura
Expected Date of Issuance:	December 2, 2019

Information

Housing Type:	Large Family
Geographic Area:	Central Coast Region
TCAC Project Analyst:	Tiffani Negrete

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	14	13%
45% AMI:	15	14%
50% AMI:	42	40%
60% AMI:	33	32%

Unit Mix

14	1-Bedroom Units
47	2-Bedroom Units
42	3-Bedroom Units
2	4-Bedroom Units
105	Total Units

Unit Type & Number		2019 Rents Targeted % of Area Median Income	2019 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
5	1 Bedroom	30%	30%	$589
3	1 Bedroom	45%	35%	$693
6	1 Bedroom	50%	35%	$693
8	2 Bedrooms	30%	30%	$706
12	2 Bedrooms	45%	39%	$915
13	2 Bedrooms	50%	39%	$915
4	2 Bedrooms	50%	50%	$1,177
10	2 Bedrooms	60%	60%	$1,412
1	3 Bedrooms	30%	31%	$834
3	3 Bedrooms	50%	47%	$1,274
16	3 Bedrooms	50%	51%	$1,390
21	3 Bedrooms	60%	61%	$1,667
2	4 Bedrooms	60%	60%	$1,821
1	3 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$6,654,630
Construction Costs	$42,392,029
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$3,413,362
Soft Cost Contingency	$251,762
Relocation	$450,000
Architectural/Engineering	$1,051,400
Const. Interest, Perm. Financing	$3,756,556
Legal Fees	$344,400
Reserves	$1,345,113
Other Costs	$2,861,037
Developer Fee	$7,098,991
Commercial Costs	$0
Total	**$69,619,280**

Residential	
Construction Cost Per Square Foot:	$374
Per Unit Cost:	$663,041
True Cash Per Unit Cost*:	$553,028

Construction Financing	
Source	Amount
Wells Fargo - T.E. Bonds	$37,888,778
Wells Fargo	$10,808,653
Seller Carryback Loan	$6,379,630
HCD - AHSC Grant	$5,000,000
Deferred Costs	$1,662,700
Deferred Developer Fee	$5,171,728
Tax Credit Equity	$2,707,791

Permanent Financing	
Source	Amount
CCRC	$17,000,000
Seller Carryback Loan	$6,379,630
HCD - AHSC Loan	$8,000,000
HCD - AHSC Grant	$5,000,000
Deferred Developer Fee	$5,171,728
Tax Credit Equity	$28,067,922
TOTAL	**$69,619,280**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$59,599,911
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$77,479,884
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$2,510,348
Total State Credit:	$5,933,486
Approved Developer Fee in Project Cost:	$7,098,991
Approved Developer Fee in Eligible Basis:	$7,088,976
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	$0.92900
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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$59,599,911
Actual Eligible Basis:	$59,599,911
Unadjusted Threshold Basis Limit:	$40,648,908
Total Adjusted Threshold Basis Limit:	$81,920,540

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

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: 54%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 26%

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 meet or 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 3.24% 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

Westview Village Phase III will be the third part of a multi-phase plan to replace 180 units of deteriorating public housing with 320 new units of revitalizing affordable family housing. The first phase completed construction in 2019, and consisted of 131 100% affordable, new construction units. Phase II of the project will be a 50 unit senior 100% affordable development, which will also include a daycare center and community gathering area. For Phase III (105 units), there are currently seventeen 1-3 story residential buildings on site, containing 47 units, which will be demolished. (The state credits have been calculated using the eligible basis for the additional units. TCAC will not allocate these state tax credits for re-construction of demolished housing projects.) Tenants will be relocated in accordance with federal relocation assistance laws and guidelines.

At place-in-service, any units not occupied by income-qualified tenants will be not considered tax credit units and the applicable fraction will be adjusted accordingly. The recorded TCAC regulatory agreement will also require that upon turnover the unit(s) must be occupied by income-qualified tenants.

If the current legal description is part of a larger site, the legal description and APN for this development must be completed prior to submitting the placed in service package.

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.

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

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