

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2020 First Round

June 17, 2020

Jamboree San Ysidro Permanent Supportive Housing ("Jamboree San Ysidro PSH"), located at 429 & 437 W. San Ysidro Blvd. in San Diego, requested and is being recommended for a reservation of \$1,693,698 in annual federal tax credits in total state tax credits to finance the new construction of 64 units of housing serving special needs tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Jamboree Housing Corporation and will be located in Senate District 40 and Assembly District 80.

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 NPLH program(s) of HCD.

Project Number CA-20-052

Project Name Jamboree San Ysidro Permanent Supportive Housing
("Jamboree San Ysidro PSH")

Site Address: 429 & 437 W. San Ysidro Blvd.

San Diego, CA 92173 County: San Diego

Census Tract: 100.130

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,693,698	\$0
Recommended:	\$1,693,698	\$0

Applicant Information

Applicant: Jamboree Housing Corporation

Contact: Vicky Ramirez

Address: 17701 Cowan Ave., Ste. 200
Irvine, CA 92614

Phone: (949) 214-2325

Email: vramirez@jamboreehousing.com

General Partner(s) / Principal Owner(s): Jamboree Housing Corporation

General Partner Type: Nonprofit Organization

Parent Company(ies): Jamboree Housing Corporation

Developer: Jamboree Housing Corporation

Investor/Consultant: RedStone Equity Partners

Management Agent(s): The John Stewart Company

Project Information

Construction Type: New Construction

Total # Residential Buildings: 1

Total # of Units: 65

No. & % of Tax Credit Units: 64 100%

Federal Set-Aside Elected: 40%/60%

Federal Subsidy: HUD Project-based vouchers (64 units / 100%) / HOME

Information

Set-Aside: Special Needs
 Housing Type: Special Needs
 Type of Special Needs: Homeless / formerly homeless / persons with developmental disabilities
 Average Targeted Affordability of Special Needs/SRO Project Units: 30.00%
 % of Special Need Units: 64 units 100%
 Geographic Area: San Diego County
 TCAC Project Analyst: Jonghyun, Shim

55-Year Use / Affordability

Aggregate Targeting Number of Units	Percentage of Affordable Units
At or Below 35% AMI: 64	80%

Unit Mix

52 1-Bedroom Units
10 2-Bedroom Units
3 3-BedroomUnits
<u>65 Total Units</u>

Unit Type & Number	2019 Rents Targeted % of Area Median Income	2019 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
52 1 Bedroom	30%	14%	\$283
9 2 Bedrooms	30%	12%	\$283
3 3 Bedrooms	30%	10%	\$283
1 2 Bedrooms	Manager's Unit	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,650,000
Construction Costs	\$15,957,083
Rehabilitation Costs	\$0
Construction Contingency	\$1,916,693
Relocation	\$175,500
Architectural/Engineering	\$1,375,000
Const. Interest, Perm. Financing	\$1,408,204
Legal Fees	\$200,000
Reserves	\$4,765,918
Other Costs	\$2,678,540
Developer Fee	\$1,400,000
Commercial Costs	\$0
Total	\$32,526,938

Residential

Construction Cost Per Square Foot:	\$256
Per Unit Cost:	\$500,414
True Cash Per Unit Cost*:	\$492,092

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Banner Bank	\$19,000,000	Banner Bank	\$5,726,487
No Place Like Home	\$4,904,285	No Place Like Home	\$4,904,285
Innovative Housing Trust Fund	\$895,715	Innovative Housing Trust Fund	\$895,715
San Diego Housing Commission	\$4,200,000	San Diego Housing Commission	\$4,200,000
Deferred Developer Fee	\$928,638	Deferred Developer Fee	\$540,950
Tax Credit Equity	\$2,598,300	Tax Credit Equity	\$16,259,501
		TOTAL	\$32,526,938

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$14,476,098
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$18,818,927
Applicable Rate:	9.00%
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	\$1,693,698
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,400,000
Investor/Consultant:	RedStone Equity Partners
Federal Tax Credit Factor:	\$0.96000
State Tax Credit Factor:	\$0.00000

The “as if vacant” land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. 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:	\$14,476,098
Actual Eligible Basis:	\$24,324,075
Unadjusted Threshold Basis Limit:	\$18,268,908
Total Adjusted Threshold Basis Limit:	\$24,692,600

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
 100% of the Low Income Units for Special Needs Population
 Local Development Impact Fees
 95% of Upper Floor Units are Elevator-Serviced

Tie-Breaker Information

First: **Special Needs**
Final: **66.185%**

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 9.0% of the qualified basis, or, in the case of acquisition credit or credit combined with federal subsidies, 3.24%. 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:

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

Resyndication and Resyndication Transfer Event: None.

Legal Status

Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

Local Reviewing Agency

The Local Reviewing Agency, the San Diego Housing Commission, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	9	9	9
General Partner Experience	6	6	6
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ¾ mile of public park or community center open to general public	2	2	2
Within 1 mile of public library	2	2	2
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Special Needs project within ½ mile of facility serving tenant population	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Service Amenities	10	10	10
SPECIAL NEEDS HOUSING TYPE			
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Sustainable Building Methods	5	5	5
NEW CONSTRUCTION/ADAPTIVE REUSE			
Develop project in accordance w/ requirements: LEED	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	113	113	113

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.