

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2020 Second Round

October 14, 2020

Redwood View, located at 8490 & 8500 Old Redwood Highway in Windsor, requested and is being recommended for a reservation of \$1,804,867 in annual federal tax credits to finance the new construction of 51 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 CRP Affordable Housing and Community Development LLC and will be located in Senate District 2 and Assembly District 2.

Project Number CA-20-167

Project Name Redwood Views
Site Address: 8490 & 8500 Old Redwood Highway
Windsor, CA 95492 County: Sonoma
Census Tract: 1538.060

Tax Credit Amounts	Federal/Annual *	State/Total
Requested:	\$1,804,867	\$0
Recommended:	\$1,804,867	\$0

* Further Consolidated Appropriations Act, 2020 (FCAA) Credits

Applicant Information

Applicant: CRP Redwood Views LP
Contact: Paul Salib
Address: 4455 Morena Blvd, Suite #107
San Diego, CA 92117
Phone: (917) 626-5209
Email: psalib@crpaffordable.com

General Partner(s) / Principal Owner(s): Central Valley Coalition for Affordable Housing
CRP Redwood Views AGP LLC

General Partner Type: Joint Venture

Parent Company(ies): Central Valley Coalition for Affordable Housing
CRP Affordable Housing and Community Development LLC

Developer: CRP Affordable Housing and Community Development LLC

Investor/Consultant: CREA

Management Agent(s): Hyder Property Management Professionals, LLC

Project Information

Construction Type: New Construction
Total # Residential Buildings: 4
Total # of Units: 52
Total # of Tax Credit Units: 52
No. & % of Low Income Units: 51 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: None

Information

County Allocation: Sonoma
Housing Type: Large Family
TCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 6	10%
At or Below 40% AMI: 18	35%
At or Below 60% AMI: 27	50%

Unit Mix

10 1-Bedroom Units
24 2-Bedroom Units
18 3-Bedroom Units

52 Total Units

<u>Unit Type & Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>2020 Rents Actual % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 1 Bedroom	60%	60%	\$1,278
4 1 Bedroom	40%	40%	\$852
1 1 Bedroom	30%	30%	\$639
13 2 Bedrooms	60%	60%	\$1,534
8 2 Bedrooms	40%	40%	\$1,023
3 2 Bedrooms	30%	30%	\$767
9 3 Bedrooms	60%	60%	\$1,772
6 3 Bedrooms	40%	40%	\$1,181
2 3 Bedrooms	30%	30%	\$886
1 3 Bedrooms	Manager's Unit	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,497,956
Construction Costs	\$11,148,325
Rehabilitation Costs	\$0
Construction Contingency	\$855,725
Relocation	\$231,000
Architectural/Engineering	\$686,000
Const. Interest, Perm. Financing	\$1,531,165
Legal Fees	\$218,551
Reserves	\$212,818
Other Costs	\$3,145,608
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$22,727,148

Residential

Construction Cost Per Square Foot:	\$223
Per Unit Cost:	\$437,061
True Cash Per Unit Cost*:	\$435,211

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank Construction Loan	\$19,063,352	Citibank Permanent Loan	\$6,388,769
Deferred Costs	\$1,552,313	Deferred Developer Fee	\$96,198
Tax Credit Equity	\$2,111,483	Tax Credit Equity	\$16,242,181
		TOTAL	\$22,727,148

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$19,691,804
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$25,599,345
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,804,867
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	CREA
Federal Tax Credit Factor:	\$0.89991

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:	\$19,691,804
Actual Eligible Basis:	\$19,691,804
Unadjusted Threshold Basis Limit:	\$20,627,022
Total Adjusted Threshold Basis Limit:	\$22,599,027

Adjustments to Basis Limit

Local Development Impact Fees

Tie-Breaker Information

First:	Letter of Support
Second:	\$34,708.98

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.

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, Town of Windsor, 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. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 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 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
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
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
Total Points	81	81	81

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