

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2020 Second Round

November 18, 2020

Cashin's Field, located at 170 Ridge Road in Nevada City, requested and is being recommended for a reservation of \$2,580,423 in annual federal tax credits to finance the new construction of 50 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 Central California Housing Corporation 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.

Project Number	CA-20-158		
Project Name	Cashin's Field		
Site Address:	170 Ridge Road		
	Nevada City, CA 95959	County: Nevada	
Census Tract:	8.020		
Tax Credit Amounts	Federal/Annual *	State/Total	
Requested:	\$2,580,423	\$0	
Recommended:	\$2,580,423	\$0	

* Further Consolidated Appropriations Act, 2020 (FCAA) Credits

Applicant Information

Applicant:	Central California Housing Corporation		
Contact:	Laurie Doyle		
Address:	3128 Willow Avenue Suite 101 Clovis, CA 93612		
Phone:	559-292-9212		
Email:	Ldoyle@ahdcinc.com		
General Partner(s) / Principal Owner(s):	Central California Housing Corporation Building Better Partnerships, Inc.		
General Partner Type:	Joint Venture		
Parent Company(ies):	Affordable Housing Development Corporation Regional Housing Authority		
Developer:	Central California Housing Corporation		
Investor/Consultant:	R4 Capital		
Management Agent(s):	WinnResidential		

Project Information

Construction Type:	New Construction		
Total # Residential Buildings:	7		
Total # of Units:	51		
Total # of Tax Credit Units	51		
No. & % of Low Income Units:	50 100%		
Federal Set-Aside Elected:	40%/60%		
Federal Subsidy:	HUD Section 8 Project Based Vouchers (20 units - 40%)		

Information

County Allocation: Nevada
 Housing Type: Large Family
 TCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
At or Below 30% AMI:	6	10%
At or Below 40% AMI:	6	10%
At or Below 50% AMI (Rural):	26	50%
At or Below 60% AMI:	12	20%

Unit Mix

11 1-Bedroom Units
26 2-Bedroom Units
14 3-Bedroom Units
51 Total Units

Unit Type & Number	2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
1 1 Bedroom	30%	30%	\$483
3 2 Bedrooms	30%	30%	\$580
2 3 Bedrooms	30%	30%	\$670
1 1 Bedroom	40%	40%	\$645
3 2 Bedrooms	40%	40%	\$774
2 3 Bedrooms	40%	40%	\$894
3 1 Bedroom	50%	50%	\$806
2 1 Bedroom	50%	50%	\$806
8 2 Bedrooms	50%	50%	\$967
5 2 Bedrooms	50%	50%	\$967
7 3 Bedrooms	50%	50%	\$1,118
1 3 Bedrooms	50%	50%	\$1,118
4 1 Bedroom	60%	60%	\$967
6 2 Bedrooms	60%	60%	\$1,161
2 3 Bedrooms	60%	60%	\$1,341
1 2 Bedrooms	Manager's Unit	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,195,102
Construction Costs	\$17,630,898
Rehabilitation Costs	\$0
Construction Contingency	\$1,019,300
Relocation	\$0
Architectural/Engineering	\$950,000
Const. Interest, Perm. Financing	\$3,126,729
Legal Fees	\$320,000
Reserves	\$317,590
Other Costs	\$2,047,208
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$28,806,827

Residential

Construction Cost Per Square Foot:	\$261
Per Unit Cost:	\$564,840
True Cash Per Unit Cost*:	\$548,410

Construction Financing

Source	Amount
Wells Fargo Bank	\$24,234,931
Regional Housing Authority Loan	\$857,730
Deferred Costs	\$1,417,590
Tax Credit Equity	\$2,296,576

Permanent Financing

Source	Amount
JLL	\$4,145,398
Regional Housing Authority Loan	\$857,730
Deferred Developer Fee	\$837,935
Tax Credit Equity	\$22,965,764
TOTAL	\$28,806,827

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$22,054,897
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$28,671,366
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,580,423
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	R4 Capital
Federal Tax Credit Factor:	\$0.89000

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:	\$22,054,897
Actual Eligible Basis:	\$25,589,897
Unadjusted Threshold Basis Limit:	\$17,014,909
Total Adjusted Threshold Basis Limit:	\$22,925,128

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.

Highest or High Resource Opportunity Area.

Tie-Breaker Information

First: This project received a Letter of Support that **meets** the tie breaker requirement of a formal letter of support for the specific project from the Local Reviewing Agency (LRA) outlining how the project will contribute to the community’s recovery efforts.

Second: **\$50,596.53**

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

Development cost is over \$564,000 per unit. A factor driving this is the cost of construction labor and building materials. Also affecting cost is the hard cost contingency and the local development impact fees.

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 has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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.