



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

---

# **CTCAC**

**Wednesday, June 16, 2021**

**Upon adjournment of the  
CDLAC Meeting or 11:15 a.m.**



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

### MEMBERS

FIONA MA, CPA, CHAIR  
State Treasurer

BETTY YEE  
State Controller

KEELY MARTIN BOSLER  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

DONALD CAVIER  
Acting Executive Director of CalHFA

EXECUTIVE DIRECTOR  
Nancee Robles

### MEETING NOTICE

**MEETING DATE:** June 16, 2021

**TIME:** Upon adjournment of the CDLAC Meeting  
or 11:15 a.m.

**LOCATION:** State Treasurer's Office  
915 Capitol Mall, Room 587  
Sacramento, CA 95814

### Public Participation Call-In Number\*\*

(888) 557-8511

Participant Code: 5651115

### AGENDA

1. Roll Call

*Action Item:* 2. Approval of the Minutes of the April 28, 2021 Meeting

3. Executive Director's Report

*Action Item:* 4. Discussion and Consideration of a 2021 Application for Reservation of Federal Four Percent (4%) Low Income Housing Tax Credits (LIHTCs) for a Tax-Exempt Bond Financed Project

<u>Project Number</u>	<u>Project Name</u>
CA-21-467	425 Auzerais Apartments

*Action Item:* 5. Discussion and Consideration of appeals if filed under TCAC Regulation Section 10330(b)(1), and if appeal is granted in its entirety, a 2021 First Round Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs). See Exhibit A for a list of the appealing projects.

*Action Item:* 6. Discussion and Consideration of the 2021 First Round Applications for Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs)

A preliminary list of recommended applications can be viewed at:  
<https://www.treasurer.ca.gov/ctcac/2021/application.asp>

**NOTE:** The preliminary list of recommended applications is TCAC staff's preliminary recommendation list and projects on the list may be removed at any time prior to the Committee Meeting.

*Action Item:* 7. Discussion and Consideration of a Resolution to Adopt Proposed Regulations, Title 4 of the California Code of Regulations, Sections 10302 through 10337, Revising Allocation and Other Procedures

*Action Item:* 8. Recommendation of a Resolution to Adopt the Schedule of Fines in accordance with Title 4 of the California Code of Regulations, Sections 10337(f)

9. Public Comment

10. Adjournment

There will be an opportunity for public comment at the end of each item, prior to any action.

Note: Agenda items may be taken out of order.

**FOR ADDITIONAL INFORMATION**

Nancee Robles, Executive Director, CTCAC  
915 Capitol Mall, Room 485, Sacramento, CA 95814  
(916) 654-6340

*This notice may also be found on the following Internet site:*

[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

\*\* Interested members of the public may use this number to call in to listen to and/or comment on items before the California Tax Credit Allocation Committee. Additional instructions will be provided to callers once they call the indicated number. This call-in number is provided as an option for public participation but the Committee is not responsible for unforeseen technical difficulties that may occur. The Committee is under no obligation to postpone or delay its meeting in the event such technical difficulties occur during or before the meeting.

The California Tax Credit Allocation Committee (CTCAC) complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities, and providing this notice and information given to the members of the CTCAC in appropriate alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, you may contact Sertan Usanmaz of the CTCAC no later than five calendar days before the meeting at (916) 654-6340 and Telecommunication Device for the Deaf (TDD) at (916) 654-9922.

**Exhibit A**  
**Appeals pursuant to TCAC Regulation Section 10330(b)(1)\***

1. Discussion and consideration of an appeal filed under TCAC Regulation Section 10330 on behalf of 34320 Fremont Family Apartments (CA-21-006) affecting the 2021 First Round Applications for Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) **in the Nonprofit Set-aside.\***

If the appeal for 34320 Fremont Family Apartments (CA-21-006) is granted in its entirety, 34320 Fremont Family Apartments will be recommended for a Reservation of LIHTCs and Lorena Plaza (CA-21-024) will receive a Reservation of LIHTCs **in the City of Los Angeles Region.**

2. Discussion and consideration of an appeal filed under TCAC Regulation Section 10330 on behalf of The Arthur at Blackstone (CA-21-044) affecting the 2021 First Round Applications for Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) **in the Special Needs Set-aside.\***

If the appeal for The Arthur at Blackstone (CA-21-044) is granted in its entirety, The Arthur at Blackstone will be recommended for a Reservation of LIHTCs and Nadeau (CA-21-041) will receive a Reservation of LIHTCs **in the Balance of Los Angeles County Region.** If Nadeau receives a Reservation in the Balance of Los Angeles County Region, The Emerald (CA-21-027) will not receive a Reservation of LIHTCs. If Nadeau receives a Reservation in the Balance of Los Angeles County Region, no other projects will be recommended based on their current tie breaker scoring reductions due to the requirement that the tie breaker be within 75% of The Emerald pursuant to TCAC Regulation Section 10325(d)(2).

See #4 below for additional information on the Balance of Los Angeles County Region appeals.

3. Discussion and consideration of appeals filed under TCAC Regulation Section 10330 affecting the 2021 First Round Applications for Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) **in the Rural Region.\***

<u>Project Number</u>	<u>Project Name</u>
CA-21-025	Duro Road Housing Project
CA-21-031	Palos Verde Apartments

If the appeal for Duro Road Housing Project is granted in its entirety, Duro Road Housing Project will be recommended for a Reservation of LIHTCs, QHA Homes III (CA-21-005) and Walnut Terrace (21-034) will not be recommended for a Reservation of LIHTCs, and Parlier Plaza/Garden Valley Homes II (21-003) will be recommended for a Reservation of LIHTCs.

If the appeal for Palos Verde Apartments is granted in its entirety, Palos Verde Apartments will be recommended for a Reservation of LIHTCs. If the appeals for both Duro Road Housing Project and Palos Verde Apartments are granted, QHA Homes III (CA-21-005) and Walnut Terrace (21-034) will not be recommended for a Reservation of LIHTCs (Shasta Garden Apartments (21-047) will be the last-ranked project receiving an award in the Rural Set-aside).

- 4. Discussion and consideration of appeals filed under TCAC Regulation Section 10330 affecting the 2021 First Round Applications for Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) **in the Balance of Los Angeles County Region.\***

If The Arthur at Blackstone is not recommended for a Reservation in the Special Needs Set-Aside, The Emerald (21-027) will be recommended for a Reservation in the Balance of Los Angeles County Region. Under this scenario, the following appeals will be considered:

<u>Project Number</u>	<u>Project Name</u>
CA-21-026	6 <sup>th</sup> Street Grand
CA-21-030	Baldwin Park Affordable Housing

Under this scenario, of these two projects, the project with the highest tie breaker will be recommended for a Reservation of LIHTCs.

If Nadeau receives a Reservation in the Balance of Los Angeles County Region (see #2 above), one additional project will receive a Reservation in the Balance of Los Angeles County Region only if an appeal is granted that increases that project’s final tie breaker to at least 40.493%. If both appeals are granted to tie breakers of at least 40.493%, the project with the highest tie breaker will be recommended for a Reservation of LIHTCs.

- 5. Discussion and consideration of an appeal filed under TCAC Regulation Section 10330 on behalf of The Village at Douglas (CA-21-021) affecting the 2021 First Round Applications for Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) **in the City of Los Angeles Region.\***

If the appeal for The Village at Douglas (CA-21-021) is granted in its entirety and if the appeal for 34320 Fremont Family Apartments (CA-21-006) is not granted, The Village at Douglas will be recommended for a Reservation of LIHTCs.

**\*At the time of this publication, it is not known the complete list of applicants will file appeals for consideration by the Committee. TCAC staff has listed all potential, known appeals.**

**Exhibit A**  
**Appeals pursuant to TCAC Regulation Section 10330(b)(1)\***

1. Discussion and consideration of an appeal filed under TCAC Regulation Section 10330 on behalf of 34320 Fremont Family Apartments (CA-21-006) affecting the 2021 First Round Applications for Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) **in the Nonprofit Set-aside.\***

If the appeal for 34320 Fremont Family Apartments (CA-21-006) is granted in its entirety, 34320 Fremont Family Apartments will be recommended for a Reservation of LIHTCs and Lorena Plaza (CA-21-024) will receive a Reservation of LIHTCs **in the City of Los Angeles Region.**

2. Discussion and consideration of an appeal filed under TCAC Regulation Section 10330 on behalf of The Arthur at Blackstone (CA-21-044) affecting the 2021 First Round Applications for Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) **in the Special Needs Set-aside.\***

If the appeal for The Arthur at Blackstone (CA-21-044) is granted in its entirety, The Arthur at Blackstone will be recommended for a Reservation of LIHTCs and Nadeau (CA-21-041) will receive a Reservation of LIHTCs **in the Balance of Los Angeles County Region.** If Nadeau receives a Reservation in the Balance of Los Angeles County Region, The Emerald (CA-21-027) will not receive a Reservation of LIHTCs. If Nadeau receives a Reservation in the Balance of Los Angeles County Region, no other projects will be recommended based on their current tie breaker scoring reductions due to the requirement that the tie breaker be within 75% of The Emerald pursuant to TCAC Regulation Section 10325(d)(2).

See #4 below for additional information on the Balance of Los Angeles County Region appeals.

3. Discussion and consideration of appeals filed under TCAC Regulation Section 10330 affecting the 2021 First Round Applications for Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) **in the Rural Region.\***

<u>Project Number</u>	<u>Project Name</u>
CA-21-025	Duro Road Housing Project
CA-21-031	Palos Verde Apartments

If the appeal for Duro Road Housing Project is granted in its entirety, Duro Road Housing Project will be recommended for a Reservation of LIHTCs, QHA Homes III (CA-21-005) and Walnut Terrace (21-034) will not be recommended for a Reservation of LIHTCs, and Parlier Plaza/Garden Valley Homes II (21-003) will be recommended for a Reservation of LIHTCs.

If the appeal for Palos Verde Apartments is granted in its entirety, Palos Verde Apartments will be recommended for a Reservation of LIHTCs. If the appeals for both Duro Road Housing Project and Palos Verde Apartments are granted, QHA Homes III (CA-21-005) and Walnut Terrace (21-034) will not be recommended for a Reservation of LIHTCs (Shasta Garden Apartments (21-047) will be the last-ranked project receiving an award in the Rural Set-aside).

- 4. Discussion and consideration of appeals filed under TCAC Regulation Section 10330 affecting the 2021 First Round Applications for Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) **in the Balance of Los Angeles County Region.\***

If The Arthur at Blackstone is not recommended for a Reservation in the Special Needs Set-Aside, The Emerald (21-027) will be recommended for a Reservation in the Balance of Los Angeles County Region. Under this scenario, the following appeals will be considered:

<u>Project Number</u>	<u>Project Name</u>
CA-21-026	6 <sup>th</sup> Street Grand
CA-21-030	Baldwin Park Affordable Housing

Under this scenario, of these two projects, the project with the highest tie breaker will be recommended for a Reservation of LIHTCs.

If Nadeau receives a Reservation in the Balance of Los Angeles County Region (see #2 above), one additional project will receive a Reservation in the Balance of Los Angeles County Region only if an appeal is granted that increases that project’s final tie breaker to at least 40.493%. If both appeals are granted to tie breakers of at least 40.493%, the project with the highest tie breaker will be recommended for a Reservation of LIHTCs.

- 5. Discussion and consideration of an appeal filed under TCAC Regulation Section 10330 on behalf of The Village at Douglas (CA-21-021) affecting the 2021 First Round Applications for Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) **in the City of Los Angeles Region.\***

If the appeal for The Village at Douglas (CA-21-021) is granted in its entirety and if the appeal for 34320 Fremont Family Apartments (CA-21-006) is not granted, The Village at Douglas will be recommended for a Reservation of LIHTCs.

**\*At the time of this publication, it is not known the complete list of applicants will file appeals for consideration by the Committee. TCAC staff has listed all potential, known appeals.**

## **AGENDA ITEM 2**

Approval of the Minutes of the  
April 28, 2021 Meeting

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Minutes of the April 28, 2021 Meeting**

**1. Roll Call**

State Treasurer Fiona Ma chaired the meeting of the California Tax Credit Allocation Committee (CTCAC). Treasurer Ma called the meeting to order at 2:30 p.m. Also, present Anthony Sertich for State Controller Betty Yee; Gayle Miller for Department of Finance (DOF) Director Keely Martin Bosler; California Department of Housing and Community Development (HCD) Director Gustavo Velasquez; Kate Ferguson for California Housing Finance Agency (CalHFA) Acting Executive Director Donald Cavier and City Representative Vivian Moreno.

County Representative Terra Lawson-Remer was absent.

**2. Approval of the Minutes of the March 8, 2021 Meeting**

**MOTION:** Mr. Sertich moved to approve the March 8, 2021 Meeting Minutes. Ms. Kate Ferguson seconded, and the motion passed unanimously via a roll call vote.

County Representative Vivian Moreno joined the meeting

Ms. Moreno expressed concern over actions taken by the California Debt Limit Allocation Committee (CDLAC) at the preceding meeting to change the geographic apportionment under the QRRP New Construction pool. She stated the change would negatively affect affordable housing in San Diego taking away from the Coastal region to increase the Bay Area's regional share. Ms. Moreno noted that both are heavily populated regions and taking away from a higher populated region to give to another region does not make sense. She stated by population, the change would be less proportionate. Ms. Moreno also expressed concern over the lack of consultation with the City of San Diego and the San Diego Housing Commission prior to proposing the change. She urged CDLAC to be more inclusive in their decision making process moving forward.

**3. Executive Director's Report**

CTCAC Executive Director, Nancee Robles stated that CTCAC received 60 applications for the first round of 9% tax credits which is slightly down from 63 received in the first round of 2020. She stated the 9% program is currently oversubscribed 2 to 1. Based on self-scores, Ms. Robles expected to award 31 applications at the June 16, 2021 meeting. Ms. Robles provided an update on the Compliance Section of CTCAC. She noted that compliance staff are currently conducting both basic and advanced workshops through the remainder of April and will continue into early May. With the monitoring relief provided by the IRS in 2020, compliance staff have been conducting desk audits in lieu of physical inspections. Ms. Robles noted IRS Notice 2021-12 extended the compliance monitoring relief through September 30 of 2021. Beginning in October, she explained staff's intent to begin conducting physical inspections in person given it is safe to do so. Ms. Robles noted the United States Department of Housing and Urban Development (HUD) recently

released new rent and income limits for 2021, which staff will be incorporating into applications for the next round.

Treasurer Ma asked if staff was implementing any electronic signature measures via DocuSign for tenant related documents.

Development Section Chief, Gina Ferguson stated staff will check in with the Compliance Section managers regarding any electronic signature requests.

**4. Recommendation of 2021 Applications for Reservation of Federal Four Percent (4%) and State Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects**

Ms. Gina Ferguson stated staff is recommending 47 applications for 4% tax credits all of which are joint applications with CDLAC with the exception of Park Crest (CA-21-400). She explained Park Crest received a bond allocation previously and now applying for a tax credit reservation. Ms. Gina Ferguson stated the remainder of the projects on the list were approved by CDLAC at their meeting. She stated the applications for the projects were reviewed for compliance with program requirements and were being recommended to the Committee for approval. Ms. Gina Ferguson noted the application for 425 Auzerais Apartments (CA-21-467), awarded at the CDLAC meeting on appeal, was not on the CTCAC recommended list and will be brought back for consideration of tax credits at the June 16, 2021 meeting.

**MOTION:** Mr. Sertich moved to approve staff's recommendation. Mr. Velasquez seconded and the motion passed unanimously via a roll call vote.

**5. Recommendation of a Resolution Authorizing the Executive Director of the California Tax Credit Allocation Committee to Sign Contracts and Interagency Agreements.**

Deputy Director, Anthony Zeto recommended approval of a Resolution authorizing CTCAC Executive Director to sign interagency agreements or contracts that do not exceed \$300,000.

**MOTION:** Mr. Sertich moved to approve the Resolution. Ms. Kate Ferguson seconded and the motion passed unanimously via a roll call vote.

**6. Recommendation of a Resolution Authorizing the Executive Director of the California Tax Credit Allocation Committee to sign an Interagency Agreement with the State Treasurer's Office on behalf of the Committee for reimbursement of annual building rent, security expenses, and other related costs incurred by State Treasurer's Office for the California Tax Credit Allocation Committee**

Mr. Zeto recommended a Resolution authorizing CTCAC Executive Director to enter into an interagency agreement with the State Treasurer's Office (STO) for building rent, security expenses, and other expenses associated with the STO. He noted the agreement exceeds the \$300,000 limit and therefore requires Committee approval.

**MOTION:** Mr. Sertich moved to approve the Resolution. Mr. Velasquez seconded and the motion passed unanimously via a roll call vote.

## **7. Recommendation to establish end date of COVID related extensions**

Mr. Zeto reminded the Committee that in April 3, 2020, CTCAC Executive Director was delegated authority to provide extensions and waive penalties associated with the readiness to proceed deadline. He explained that no end date was established at the time of Committee action. Mr. Zeto recommended an end date that would capture all projects awarded 9% credits in 2020. He explained that extensions would not be available to projects awarded 9% credits in 2021.

Mr. Sertich asked if there was an end date proposed that would capture the 2020 projects.

Mr. Zeto stated that the readiness to proceed deadline for second round 2020 projects was Monday. He explained there were about five projects funded from the waiting list with readiness to proceed deadline expiring within in the next two months.

Mr. Sertich asked if any extensions requests were received.

Mr. Zeto confirmed a couple of requests were granted and those requests were for a short period. He stated the IRS has not provided relief to the placed in service date for 2021 projects which is why staff is recommending an end date for those remaining projects awarded credits in 2020.

Treasurer Ma proposed June 30, 2021.

Mr. Zeto stated June 30, 2021 should cover the remaining 2020 projects.

There was public comment.

As it pertains to 4% allocations, Andre Perry with the HCID Los Angeles stated he did not see a scenario returning to pre-COVID normal. He stated municipalities as well state agencies are still working with limited staff. Mr. Perry recommended postponing the action to a later date until there is more evidence from the municipalities.

Ms. Kate Ferguson asked Mr. Zeto how many outstanding 2020 projects this was affecting.

Mr. Zeto stated there were about five projects, all funded off the waiting list in November.

Mr. Sertich stated the Mr. Perry's comments were focused on the bond program whereas the extensions being discussed are directed towards 9% projects.

Treasurer Ma stated the commenter could be just providing the Committee a warning that projects in Los Angeles are still experiencing delays and that some projects may still not be ready.

Mr. Zeto stated that the 4% projects do not have a federal placed in service deadline whereas 9% projects do. He explained that any extensions to the readiness to proceed deadline for 9% projects reduces the construction period for the projects to meet the placed in service deadline. Mr. Zeto stated 2018 and 2019 projects were provided relief from the IRS to the federal placed in service deadline whereas projects awarded in 2020 and later have not. He explained staff wants to ensure projects are on track to meet the required federal placed in service deadline.

Ms. Gina Ferguson stated that while 4% projects with state credits do have a 180-day readiness deadline, staff has deferred any extensions to those approved at CDLAC. She confirmed there were four projects awarded from the waiting list projects with a readiness requirement of May 10, 2021.

**MOTION:** Mr. Sertich moved to provide blanket authority to the Executive Director to provide extensions to the readiness to proceed deadline through June 30, 2021 for COVID-related delays. Ms. Kate Ferguson seconded and the motion passed unanimously via a roll call vote.

Mr. Perry thanked the Committee for the clarification that the delegated authority to provide extensions to the readiness to proceed deadline through June 30, 2021 applies to 9% projects.

**8. Discussion of Disaster Credits established by the Consolidated Appropriations Act, 2021.**

Mr. Zeto stated that staff is working on proposed changes to the regulations to allocate the 2021 disaster credits. He stated staff has had conversations with various parties including the working group on the disaster credits. Mr. Zeto reminded the Committee that 22 counties included in the 2021 disaster credits was an increase from the 13 counties included in the 2020 disaster credits. He stated the allocation process for last year's disaster credits included establishing a base amount for each county with the remainder based on percentage of homes lost to ensure each county was able to fund at least one project. Given the increase in counties this year, and that five of the 22 counties made up about 75% of the lost homes, Mr. Zeto stated staff has been considering alternative options. In advance of releasing the proposed changes, he requested the Committee's input on the county/regional allocation as well as the tiebreaker.

Mr. Zeto stated that if the credits were allocated solely based on percentage of lost homes, five counties would receive \$60 million of the \$80 million in disaster credits. He stated the remaining 17 counties would be grouped into regions and compete for the remaining credits.

For the other discussion topic, Mr. Zeto summarized the tiebreaker. He stated the letters of support used last year may not be as effective this year due to the addition of regions. Mr. Zeto discussed other options for a tiebreaker such as projects located in the fire perimeter with no local opposition as well as HCD awarded projects. He turned it over to the Committee for discussion.

Treasurer Ma stated she recently visited Butte County after allocations were made last year and noted that most of the Butte County projects awarded were in Chico since Paradise was not ready at the time. She asked Mr. Zeto to identify the five counties most impacted by the wildfires in 2020.

Based on the data provided by CAL FIRE, Mr. Zeto stated the five most impacted counties were (1) Butte, (2) Santa Cruz, (3) Napa, (4) Fresno and (5) Sonoma.

Given the intent of the disaster credits, Treasurer Ma believed some measure of percentage of lost homes should be considered, though is open to other thoughts from the Committee members.

Ms. Kate Ferguson stated that the Committee could consider allocating 75% of the credits to the five most heavily impacted counties and 25% to the remaining counties.

Mr. Velasquez stated that HCD has been closely tracking the impacted counties through their CDBG-DR program. He stated the issue is the lack of infrastructure to get housing constructed in large portions of those five counties. Mr. Velasquez recommended a methodology to account for population, level of destruction, infrastructure, and shovel readiness to allocate the disaster credits.

Treasurer Ma agreed with Mr. Velasquez and stated she wanted to focus on projects in the burn scar since those were directly impacted. Given the oversubscription last year, she wanted to ensure the projects this year would target the purpose of the disaster credits.

Mr. Sertich suggested not re-creating the wheel and to copy over as much from last year as possible. He asked staff if any of the disaster credits from 2020 were returned.

Mr. Zeto stated no projects from 2020 have returned their credits. He reminded the Committee of the September 1, 2021 date at which point credits could be returned. Following conversations with some of the developers, Mr. Zeto stated most projects were in the construction phase.

Mr. Sertich stated it was good to hear that projects were able to move forward.

Mr. Zeto stated that unlike last year, the scoring criteria for the disaster credits this year would look more like a regular 9% project. He noted the exemptions to point categories and exceptions for the local approvals and zoning last year would not be available to projects applying for disaster credits in 2021.

There was public comment.

Luke Lindenbusch with Generation Housing thanked the Committee for considering counties that were most impacted by the wildfires. He stated they submitted a letter requesting that credits be prioritized for shovel ready projects for counties with more than 300 homes lost. Mr. Lindenbusch stated Sonoma County has lost over 6,000 homes due to wildfires in 3 of the last 4 years. He stated they have at least a dozen affordable housing

projects ready to go. Mr. Lindenbusch stated the county has the infrastructure needed to rebuild these homes in transit-oriented communities.

Michelle Whitman Executive Director with Renewal Enterprise District (RED) stated Sonoma County has lost over 6,000 homes and emphasized the credits be allocated to shovel ready projects in disaster counties in proportion of the homes lost. She echoed some of Mr. Lindenbusch's comments with regard to the dozen shovel ready projects in Sonoma County that could provide hundreds of affordable units quickly. Ms. Whitman expressed appreciation for the changes made with regard to the allocation of disaster credits last year.

Seana O' Shaughnessy with Community Housing Improvement Program (CHIP) expressed appreciation for the careful consideration of the credits to the most heavily impacted counties. She stated the recent wildfires again heavily affected Butte County. Ms. O'Shaughnessy asked the Committee to focus development in the burn scar area. She believed there should be a readiness requirement but with some easing on the requirements for projects in the burn scar.

Suzanne Isé Acting Manager of the County of Santa Cruz reiterated a few points in a public comment letter sent to staff prior to the meeting about a baseline allocation to counties where at least 300 homes were lost and applying readiness points to projects. She believed prioritizing projects in the burn scar area would make sense in some counties but in the case of Santa Cruz the burn scar area was in remote areas subject high fire risk. Ms. Isé stated that most of the homes were built 100 years ago and not built up to code or were built prior to the existence of modern day building code requirement. She mentioned four projects in the pipeline on appropriate sites that would focus on housing low-income residents displaced by the wildfires. Ms. Isé did not believe the burn scar consideration alone was the most appropriate methodology to use to distribute these credits. She thanked the Committee for their consideration.

Max Heninger with Eden Housing stated it is very important that the Committee consider the lost homes criteria that would help the top five destruction counties. He also echoed comments made by Santa Cruz regarding not limiting projects to the burn scar areas since it would be very difficult to fund them. Mr. Heninger supported a HCD tiebreaker to ensure projects are shovel ready and aligned with state affordable housing priorities.

Rich Wallach with Burbank Housing echoed the previous comments made regarding readiness. He stated applications last year were submitted and successful over shovel ready projects working with their municipalities. Mr. Wallach suggested leniency on the readiness requirement for projects within the burn scar area. He also advocated for a spillover effect where credits are transferred from one county to another if the other county is able to use it. Mr. Wallach recommended an award limit of \$3.5 million to \$4 million per project to allow for more projects can be funded.

Mr. Velasquez stated he was glad to hear the Committee was for the most part on the same page with the development community on the distribution of the disaster credits.

Treasurer Ma stated the Committee would discuss the proposed regulation changes for the disaster credits and come back with a recommendation at the next meeting.

Given the timing and the required 21-day comment period, Mr. Zeto stated proposed recommendations would likely be considered at the June meeting.

**9. Public Comment**

Matt Grosz with Red Stone Equity Partners expressed concerns over 60 projects in the impacted counties in the CDLAC queue. Given the CDLAC scoring system, he stated some of these projects are unlikely to get funded. Since these projects are structured as 4% projects, Mr. Grosz stated prioritizing these projects will stretch the credits much further.

**10. Adjournment**

Treasurer Ma adjourned the meeting at 3:30 p.m.

## **AGENDA ITEM 3**

Executive Director's Report

## **AGENDA ITEM 4**

Discussion and Consideration of a  
2021 Application for Reservation of  
Federal Four Percent (4%)  
Low Income Housing Tax Credits  
(LIHTCs) for a Tax-Exempt Bond  
Financed Project

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-21-467	425 Auzerais Apartments 425 Auzerais Avenue San Jose, CA 95126 Santa Clara County	Eden Housing, Inc. Linda Mandolini	Eden Investments, Inc. Linda Mandolini	Eden Housing, Inc. Jared Nolan	Auzerais SJ LLC and Auzerais Investments, LLC Meijuan Chen Zhengming Chen	JP Morgan Chase County of Santa Clara HCD - NPLH HCD - IIG

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report  
Tax-Exempt Bond Project  
June 16, 2021**

425 Auzerais Apartments, located at 425 Auzerais Avenue in San Jose, requested and is being recommended for a reservation of \$3,934,685 in annual federal tax to finance the new construction of 128 units of housing serving special needs tenants with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Eden Housing Inc. and will be located in Senate District 15 and Assembly District 27.

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 and IIG programs of HCD.

**Project Number** CA-21-467

**Project Name** 425 Auzerais Apartments  
**Site Address:** 425 Auzerais Avenue  
San Jose, CA 95126 County: Santa Clara  
**Census Tract:** 5008.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$3,934,685	\$0
Recommended:	\$3,934,685	\$0

**Applicant Information**

**Applicant:** Eden Housing, Inc.  
**Contact:** Linda Mandolini  
**Address:** 22645 Grand Street  
Hayward, Ca 94541  
**Phone:** 510-542-1460  
**Email:** lmandolini@edenhousing.org

**General Partner(s) or Principal Owner(s):** Eden Investments, Inc.  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** Eden Housing, Inc.  
**Developer:** Eden Housing, Inc.  
**Investor/Consultant:** California Housing Partnership  
**Management Agent:** Eden Housing Management, Inc.

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 1  
 Total # of Units: 130  
 No. / % of Low Income Units: 128 100.00%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (64 Units - 50%)

**Bond Information**

Issuer: California Municipal Finance Authority  
 Expected Date of Issuance: June 30, 2021

**Information**

Housing Type: Special Needs  
 Geographic Area: South and West Bay Region  
 TCAC Project Analyst: Nick White

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 64	50%
50% AMI: 43	34%
60% AMI: 21	16%

**Unit Mix**

86 SRO/Studio Units  
 16 1-Bedroom Units  
 28 2-Bedroom Units  


---

 130 Total Units

<u>Unit Type &amp; 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>
58 SRO/Studio	30%	30%	\$829
2 1 Bedroom	30%	30%	\$889
4 2 Bedrooms	30%	30%	\$1,066
28 SRO/Studio	50%	50%	\$1,382
5 1 Bedroom	50%	50%	\$1,481
10 2 Bedrooms	50%	50%	\$1,777
9 1 Bedroom	60%	60%	\$1,777
12 2 Bedrooms	60%	56%	\$1,999
2 2 Bedrooms	Manager's Unit	Manager's Unit	\$0

## **Project Cost Summary at Application**

Land and Acquisition	\$2,386,592
Construction Costs	\$54,869,412
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,621,697
Soft Cost Contingency	\$206,500
Relocation	\$0
Architectural/Engineering	\$2,429,625
Const. Interest, Perm. Financing	\$4,608,071
Legal Fees	\$140,000
Reserves	\$1,238,697
Other Costs	\$3,512,972
Developer Fee	\$9,869,610
Commercial Costs	\$0
<b>Total</b>	<b>\$81,883,176</b>

## **Residential**

Construction Cost Per Square Foot:	\$535
Per Unit Cost:	\$629,871
True Cash Per Unit Cost*:	\$577,797

### **Construction Financing**

<u>Source</u>	<u>Amount</u>
JP Morgan Chase Bank T.E.	\$42,017,597
JP Morgan Chase - Taxable	\$6,610,746
HCD - IIG	\$5,500,000
Santa Clara County - Measure A	\$700,000
Santa Clara County - NPLH	\$12,800,000
Accrued Interest	\$375,661
Cost Deferred Until Conversion	\$3,759,700
General Partner Contribution	\$3,996,490
Deferred Developer Fee	\$2,773,121
Tax Credit Equity	\$3,349,861

### **Permanent Financing**

<u>Source</u>	<u>Amount</u>
JP Morgan Chase Bank T.E.	\$20,520,284
HCD - IIG	\$5,500,000
Santa Clara County - Measure A	\$700,000
Santa Clara County - NPLH	\$12,800,000
Accrued Interest	\$375,661
General Partner Contribution	\$3,996,490
Deferred Developer Fee	\$2,773,121
Tax Credit Equity	\$35,217,620
<b>TOTAL</b>	<b>\$81,883,176</b>

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

## **Determination of Credit Amount(s)**

Requested Eligible Basis:	\$75,667,014
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$98,367,118
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,934,685
Approved Developer Fee (in Project Cost & Eligible Basis):	\$9,869,610
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.89506

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:	\$75,667,014
Actual Eligible Basis:	\$75,667,014
Unadjusted Threshold Basis Limit:	\$63,095,976
Total Adjusted Threshold Basis Limit:	\$168,635,451

**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

Parking Beneath Residential Units or On-Site Parking Structure of Two or More Levels

One or more Energy Efficiency/Resource Conservation/Indoor Air Quality Features:

- Project has onsite renewable generation estimated to produce 75% or more of annual common area electricity use as indicated in TCAC Regulations.

Local Development Impact Fees

95% of Upper Floor Units are Elevator-Serviced

Income Targeted between 50% AMI & 36% AMI: 33%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 100%

**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 4.00% 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:**

Staff noted a per unit development cost of \$577,797. The applicant noted that the high per unit cost is attributed to the project being constructed as a high density five-level structure, the inclusion of elevators, prevailing wage, and the project's requirement to conform to City design guidelines.

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

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

**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.

## **AGENDA ITEM 5**

Discussion and Consideration of appeals if filed under TCAC Regulation Section 10330(b)(1), and if appeal is granted in its entirety, a 2021 First Round Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs). See Exhibit A for a list of the appealing projects

Due to the timing of appeals in the 2021 First Round 9% competition, it was not known which projects would appeal at the time the meeting agenda was posted.

The appeal periods for CA-21-006 34320 Fremont Family Apartments and CA-21-030 Baldwin Park Affordable Housing have concluded. Staff did not receive appeals for these projects.

The following projects have not yet appealed to the Committee. If appeals for the following projects are received, staff will forward these to the Committee:

CA-21-021 The Village at Douglas

CA-21-026 6th Street Grand

CA-21-044 The Arthur at Blackstone

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-21-003	Parlier Plaza / Garden Valley Homes II Parlier Plaza Apartments 640 Zediker Avenue Parlier, CA 93648 County of Fresno Garden Valley Homes II Apartments 9565 Flores Dr. San Joaquin, CA 93660 County of Fresno	PSJ Investment Group, LP Ronald D. Bettencourt	Bettencourt Properties, Inc. Ronald D. Bettencourt The Beneficial Housing Foundation Kimberley B. McClintock	Community Preservation Partners, LLC Lyna Wang	Fresno Community Partners, LP Anand Kannan	California Bank and Trust USDA loan assumption
CA-21-021	The Village at Douglas 338,348,352 Douglas St Los Angeles, CA 90026 County of Los Angeles Los Angeles	Global Premier Development, Inc. Andrew Hanna	Global Premier Development, Inc. Andrew Hanna Living Hope Housing Foundation Chunmei Song	Global Premier Development, Inc. Andrew Hanna	RONKA LLC Ronald Balue	HHF / HUD 221
CA-21-025	Duro Road Housing Project (aka Duro Road Project) Lake Wohlford Rd and Duro Road Valley Center, CA 92082 County of San Diego	San Pasqual Tribe Stephen W. Cope	San Pasqual Housing & Community Development Stephen W. Cope	San Pasqual Tribe (or entity thereof) Diana M. Martinez	San Pasqual Housing & Community Development Stephen W. Cope	San Pasqual Band of Mission Indians
CA-21-031	Palos Verde Apartments 21797 Reynolds Ave Dos Palos, CA 93620 County of Merced	IDG Palos Verde, LP Cynthia Michels	Kingdom Development, Inc. William Leach Impact Development Group, LLC Cynthia Michels	Impact Development Group, LLC Cynthia Michels	South Dos Palos Enterprises, LP Richard Brazil	JP Morgan Chase Bank, NA USDA Assumed Loan
CA-21-044	The Arthur at Blackstone 3039 N. Blackstone Avenue Fresno, CA 93703 County of Fresno	Housing Authority of the City of Fresno Michael Duarte	Housing Authority of the City of Fresno Michael Duarte Silvercrest, Inc. Michael Duarte	Housing Authority of the City of Fresno Michael Duarte	Daniel L. Serimian, Leslie A. Morgan, David M. Serimian, Marlon D. Serimian Daniel L. Serimian, Leslie A. Morgan, David M. Serimian, Marlon D. Serimian	US Bank City of Fresno HOME Loan HCD IIG NPLH

*IDG Palos Verde LP*  
235 Montgomery Street, 30th Floor  
San Francisco, CA 94104

---

May 28, 2021

**VIA FEDEX DELIVERY TO TCAC STAFF**

California Tax Credit Allocation Committee  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814

TCAC Committee Members:

Fiona Ma, State Treasurer  
Betty T. Yee, State Controller  
Keely Martin Bosler, Director of Finance  
Donald Cavier, Acting Executive Director of CalHFA  
Gustavo F. Velasquez, Director of HCD  
Vivian Moreno, City Representative  
Terra Lawson-Remer, County Representative

**RE: CA-21-031 / Palos Verde Apartments**

Dear Committee Members:

We are writing in response to the appeal response letter dated May 26, 2021 from Nancee Robles, Executive Director of TCAC. We wish to further appeal the Final Tie-Breaker decision to the Committee Members.

As previously stated in our May 21<sup>st</sup> appeal to Ms. Robles, Staff has no legal basis to call the USDA loan commitment an assumed loan. It is actually a new loan, extensively underwritten by USDA, with a new interest rate, new term, new documents and a new loan number.

Enclosed you will find the May 21<sup>st</sup> appeal letter as well as the May 11<sup>th</sup> appeal submitted to Anthony Zeto, Deputy Executive Director of TCAC. Please see below and the attachments referenced.

**Final Tie Breaker Score:** In the application, the final tie breaker self-score is **51.173%**. Staff reduced the public funds numerator by the USDA 515 assumed loan amount of \$1,445,934, which results in a recalculated tie-breaker score of **29.913%**. Enclosed, with this letter, is a letter from our attorneys, Carle Mackie Power & Ross LLP, detailing why the characterization of the Rural Development ("RD") Section 515 Loan described in the application as an assumed loan rather than a new loan is incorrect, contrary to the law, and inconsistent with TCAC's stated intent in approving its latest regulations.

Also enclosed is a letter from Nathan Riedel, Team Lead for the West Region, Field Operations Division, Multifamily Housing, Rural Development, United States Department of Agriculture, explaining that the RD loan is extensively re-underwritten by RD, materially modified, documented with a new set of documents and given a new loan number. He also details some of the material changes to the loan as well as the extensive underwriting of the new project owner, the management company, and the owner's principals. Without this financing, we would not be able to perform the rehabilitation this property requires and the residents of Palos Verde Apartments would lose access to the Rental Assistance provided by USDA.

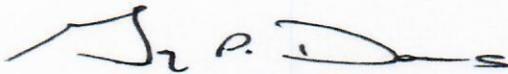
We believe the tie-breaker score of **51.173%** was correctly calculated in the application with the inclusion of the RD loan in the public funds numerator. Please reinstate our tie-breaker score.

Should you have any questions, please contact Cynthia Michels via email at [cmichels@impactdevgroup.com](mailto:cmichels@impactdevgroup.com) or via phone 310.386.2464 cell / 415.915.2522 office. We look forward to hearing from you. Thank you for your consideration of this appeal.

Sincerely,

IDG Palos Verde LP,  
a California limited partnership

By: Impact Development Group, LLC,  
a California limited liability company  
Its Manager



By: \_\_\_\_\_  
Gary P. Downs, Its Manager

Enclosures

cc: Nancee Robles and Anthony Zeto via email



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

---

915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

### MEMBERS

FIONA MA, CPA, CHAIR  
State Treasurer

BETTY YEE  
State Controller

KEELY MARTIN BOSLER  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

DONALD CAVIER  
Acting Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
Nancee Robles

May 26, 2021

Cynthia Michels  
IDG Palos Verde, LP  
235 Montgomery Street, 30th Floor  
San Francisco, CA 94104

Email: [cmichels@impactdevgroup.com](mailto:cmichels@impactdevgroup.com)

**RE: CA-21-031 / Palos Verde Apartments**

Dear Ms. Michels:

This letter is in response to the 2<sup>nd</sup> appeal letter signed by Gary P. Downs and received on May 21, 2021 of the Tax Credit Allocation Committee ("TCAC") final tie breaker reduction for the above referenced project. TCAC staff reduced from 51.173% to 29.913% due to the exclusion of the United States Department of Agriculture ("USDA") RHS 515 assumed loan in the amount of \$1,445,934 from the leveraged soft financing numerator pursuant to Section 10325(c)(9)(i) of the TCAC regulations.

The 2<sup>nd</sup> appeal letter stated the preparer of the application incorrectly referred to the USDA RHS 515 loan as an assumed loan. Mr. Downs reiterated from his previously appeal letter that the loan is new, and underwritten by USDA with a new interest rate, new terms, new documents and new loan number.

Following review of the 2<sup>nd</sup> appeal letter, the application and TCAC regulations, I concur with staff's determination for the reasons noted in the point letter dated May 5, 2021 and appeal response letter dated May 18, 2021. The \$1,445,934 loan amount is an outstanding principal balance of an existing loan funded less than 30 years prior to the application deadline, and subject to an existing TCAC regulatory agreement. Pursuant to Section 10325(c)(9)(i) of the TCAC regulations, the \$1,445,934 has been correctly excluded from numerator of the final tie breaker calculation. As a result, the 2<sup>nd</sup> appeal is not granted and the final tie breaker score remains 29.913%.

Please feel free to contact Anthony Zeto at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov) should you have any questions or concerns. If you wish to appeal this decision to the Committee, you may submit a final written appeal, along with a \$500 appeal fee, that must be received by TCAC no later than 5:00 pm on June 1, 2021. Please address any written appeal to TCAC's mailing address, and staff will distribute it to the Committee for consideration at the appropriate meeting.

Sincerely,

Nancee Robles  
Executive Director

*IDG Palos Verde LP*  
235 Montgomery Street, 30th Floor  
San Francisco, CA 94104

---

May 21, 2021

VIA EMAIL DELIVERY

Nancee Robles, Executive Director  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
[nancee.robles@treasurer.gov](mailto:nancee.robles@treasurer.gov)

**RE: CA-21-031 / Palos Verde Apartments**

Dear Ms. Robles:

Congratulations on being appointed as the new Executive Director of TCAC and CDLAC. My staff and I look forward to meeting you in person at one of the upcoming Fall conferences that are now starting to be planned "in person" rather than just virtually.

We are writing in response to the appeal response letter dated May 18, 2021 from Anthony Zeto, Deputy Executive Director of TCAC. We appreciate the granting back of the 10 points for social service amenities. We are very pleased with the services provided by Travelers Dental, Health & Wellness and Ms. Julie Day. However, we do wish to further appeal the Final Tie-Breaker decision.

Simply put, TCAC Staff has no legal basis to call the USDA loan commitment an assumed loan. The preparer of the application incorrectly referred to it as an assumed loan when it is actually a new loan, extensively underwritten by USDA, with a new interest rate, new term, new documents and a new loan number.

Regulation 10325(c)(9)(i) is a new component of the TCAC Regulations and it is unclear as to how it should be interpreted. USDA is providing a new loan with a longer term and a much lower interest rate. It is an important subsidy to the transaction and is needed to achieve long term affordability. TCAC should recognize the RHS 515 loan in the definition of Public Funds and not exclude it in the numerator of the final tie-breaker component.

USDA has every right to deny our application for this loan and require repayment of the Seller during a sale or refinancing of this property but instead has agreed to loan IDG Palos Verde LP these funds. Without this financing, we would not be able to perform the rehabilitation this property requires and the residents of Palos Verde Apartments would lose access to the Rental Assistance provided by USDA.

Furthermore, the loan currently on the property has been in place for 25 years and is by no means recent financing which Regulation 10325(c)(9)(i) intends to disqualify. This is a 25-year-old rural project in need of a major rehabilitation in an area much in need of affordable housing.

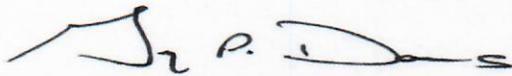
We ask that you please reconsider Staff's decision classifying the RHS 515 loan as an "assumed" loan and include it back into the numerator of the final tie-breaker calculation.

Should you have any questions or require any additional information, please contact Cynthia Michels via email at [cmichels@impactdevgroup.com](mailto:cmichels@impactdevgroup.com) or via phone at 415-915-2522 office / 310-386-2464 cell. Thank you.

Sincerely,

IDG Palos Verde LP,  
a California limited partnership

By: Impact Development Group, LLC,  
a California limited liability company  
Its Manager



By: \_\_\_\_\_  
Gary P. Downs, Its Manager

cc: Anthony Zeto  
Jason Vargelis  
Cynthia Michels  
William Leach



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

---

915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

### MEMBERS

FIONA MA, CPA, CHAIR  
State Treasurer

BETTY YEE  
State Controller

KEELY MARTIN BOSLER  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

DONALD CAVIER  
Acting Executive Director of CalHFA

EXECUTIVE DIRECTOR  
Nancee Robles

May 18, 2021

Cynthia Michels  
IDG Palos Verde, LP  
235 Montgomery Street, 30th Floor  
San Francisco, CA 94104

Email: [cmichels@impactdevgroup.com](mailto:cmichels@impactdevgroup.com)

### RE: CA-21-031 / Palos Verde Apartments

Dear Ms. Michels:

This letter is in response to the appeal letter signed by Gary P. Downs and received on May 11, 2021 of the Tax Credit Allocation Committee ("TCAC") point score reduction in the Service Amenities point category and final tie breaker reduction for the above referenced project. TCAC staff reduced the Service Amenity point category by 10 points due to the required experience chart for the service provider not being provided in the application. The final tie breaker score was reduced from 51.173% to 29.913% due to the exclusion of the United States Department of Agriculture ("USDA") RHS 515 assumed loan in the amount of \$1,445,934 from the leveraged soft financing numerator. The project is subject to an existing TCAC regulatory agreement and the USDA RHS 515 loan was funded less than 30 years prior to the application deadline pursuant to Section 10325(c)(9)(i).

### Service Amenities

The appeal letter stated that the exclusion of the experience chart was due to an administrative error where the experience for a different service provider was submitted. Mr. Downs stated the correct chart as well as a summary of the services was included with the appeal letter. The appeal letter cites the authority provided to the Executive Director under Section 10322(e) of the TCAC regulations and points to previously experience charts for the service provider in previously submitted TCAC applications.

Following review of the appeal letter, the application and TCAC regulations, I find the experience for the service provider has been clarified as permitted under Section 10322(e) of the TCAC

regulations. As a result, the the appeal is granted and the 10 points in the Service Amenities point category are restored.

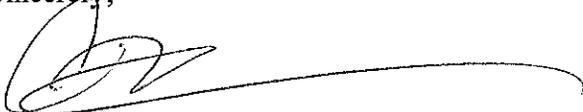
Final Tie Breaker

The appeal letter included letters from Carle Mackie Power & Ross LLP and USDA detailing why they believe the USDA RHS 515 loan is a new loan rather than an assumed loan. The letters specifically state that the USDA RHS 515 loan requires a new underwriting process, change in interest rate, and memorialized in all new documents with a new loan number. The letters also state that the USDA 515 loan is not the same as other public loan assumptions as they often have no modification.

Following review of the appeal letter, the application and TCAC regulations, I find the USDA RHS 515 loan is an existing loan with an outstanding balance funded less than 30 years prior to the application deadline and subject to an existing TCAC regulatory agreement. Consistent with Section 10325(c)(9)(i) of the TCAC regulations, the \$1,445,934 has correctly been excluded from the numerator of the final tie breaker calculation. While your appeal letter and accompanying letters state that the loan has been re-underwritten with modifications, the amount of the loan is the outstanding balance an existing USDA RHS 515 loan and identified as "assumed" in the application. As a result, the appeal is not granted and the final tie breaker score remains 29.913%.

A new point letter is attached. Please feel free to contact me at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov) should you have any questions or concerns. If you wish to appeal this decision, you may email your appeal in writing to Executive Director Nancee Robles at [nancee.robles@treasurer.ca.gov](mailto:nancee.robles@treasurer.ca.gov) and cc me at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov). Your appeal must be received by TCAC no later than May 24, 2021.

Sincerely,



Anthony Zeto  
Deputy Executive Director

Enclosure



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 485
Sacramento, CA 95814
p (916) 654-6340
f (916) 654-6033
www.treasurer.ca.gov/ctcac

MEMBERS

FIONA MA, CPA, CHAIR
State Treasurer

BETTY YEE
State Controller

KEELY MARTIN BOSLER
Director of Finance

GUSTAVO VELASQUEZ
Director of HCD

DONALD CAVIER
Acting Executive Director of CalHFA

EXECUTIVE DIRECTOR
Nancee Robles

REVISED

May 18, 2021

Cynthia Michels
IDG Palos Verde, LP
235 Montgomery Street, 30th Floor
San Francisco, CA 94104

Email: cmichels@impactdevgroup.com

RE: CA-21-031 / Palos Verde Apartments

Dear Ms. Michels:

Following your submission for the California Tax Credit Allocation Committee (TCAC) first 2021 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, TCAC has requested the Local Reviewing Agency's comments. If the LRA the response suggests that points may have been erroneously awarded we may revisit the scoring. Initial scoring is as follows:

Table with 3 columns: Category, Points Requested, Points Awarded. Rows include General Partner Experience, Management Experience, Housing Needs, Site Amenities, Service Amenities, Lowest Income, Readiness to Proceed, Miscellaneous Federal and State Policies, and TOTAL.

TCAC has calculated your Final Tie Breaker score and the score is **29.913%**.

In the application, the final tie breaker self-score is 51.173%. TCAC staff reduced the public funds numerator by the USDA 515 assumed loan amount of \$1,445,934. The project is subject to an existing TCAC regulatory agreement and the USDA loan was funded less than 30 years prior to the application deadline. TCAC Regulation Section 10325 does not permit this:

10325(c)(9)(i) Public funds. "Public funds" include federal, tribal, state, or local government funds, including the outstanding principal balances of prior existing public debt or subsidized debt that has been or will be assumed in the course of an acquisition/rehabilitation transaction, except that outstanding principal balances for projects subject to an existing CTCAC regulatory agreement shall not be considered public funds if such loans were funded less than 30 years prior to the application deadline.

TCAC staff increased the capitalized rent differential to correct the three bedroom net rent limit (from \$575 to \$576), the four bedroom net rent limit (from \$670 to \$671), and the two bedroom subsidy contract rent limit (from \$855 to \$856). Correcting these resulted in a capitalized value of \$1,440,613.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects' scoring letters since individual letters will be sent later as the scores are determined. TCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact **Sarah Gullikson** after the final awards have been made.

We appreciate your interest in the Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,



Carmen Doonan  
Development Program Manager

***IDG Palos Verde LP***  
**235 Montgomery Street, 30<sup>th</sup> Floor**  
**San Francisco, CA 94104**

---

May 11, 2021

VIA EMAIL DELIVERY

Anthony Zeto, Deputy Director  
California Tax Credit Allocation Committee  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
[Anthony.Zeto@treasurer.ca.gov](mailto:Anthony.Zeto@treasurer.ca.gov)

RE: **CA-21-031 / Palos Verde Apartments / Formal Appeal**

Dear Anthony:

We are writing in response to the California Tax Credit Allocation Committee (“TCAC”) scoring letter dated May 5, 2021 (the “**Scoring Letter**”) for Palos Verde Apartments (the “**Project**”). Please accept this as our Formal Appeal of the Scoring Letter.

**Service Amenities Points:** Staff has indicated that the Project’s application to TCAC omitted the experience chart for services in its submission. An experience chart was included in the application; however, in assembling the application our managing general partner erroneously included one for a different service provider.

Enclosed, with this letter, is the service experience chart for Travelers Mobile Dental, Health & Wellness (formerly Frontlines Mobile Dental Program), the service provider identified in the application and MOU. Also enclosed is a letter from the service provider detailing their history and experience as well as a summary of services and programs to be provided for the residents of Palos Verde Apartments.

Should it be deemed necessary, we respectfully request the Executive Director exercise the authority provided in 10322(e) whereas a scoring category deficiency can be corrected if it is an application omission of a document existing as of the application-filing deadline.

The service provider, Travelers Mobile Dental, Health & Wellness (formerly Frontlines Mobile Dental Program) has evidenced its experience in several previous successful TCAC applications having been awarded full points for services as recently as 2020 and 2021 (please see CA 20-002, 20-682, 20-683, 20-684, or 20-685).

**Final Tie Breaker Score:** In the application, the final tie breaker self-score is **51.173%**. Staff reduced the public funds numerator by the USDA 515 assumed loan amount of \$1,445,934, which results in a recalculated tie-breaker score of **29.913%**. Enclosed, with this letter, is a letter from our attorneys, Carle Mackie Power & Ross LLP, detailing why the characterization of the Rural Development ("RD") Section 515 Loan described in the application as an assumed loan rather than a new loan is incorrect, contrary to the law, and inconsistent with TCAC's stated intent in approving its latest regulations.

Also enclosed is a letter from Nathan Riedel, Team Lead for the West Region, Field Operations Division, Multifamily Housing, Rural Development, United States Department of Agriculture, explaining that the RD loan is extensively re-underwritten by RD, materially modified, documented with a new set of documents and given a new loan number. He also details some of the material changes to the loan as well as the extensive underwriting of the new project owner, the management company, and the owner's principals.

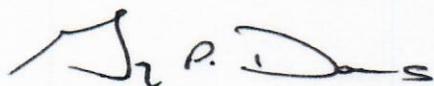
We believe the tie-breaker score of **51.173%** was correctly calculated in the application with the inclusion of the RD loan in the public funds numerator. Please reinstate our tie-breaker score.

Should you have any questions, please contact Cynthia Michels via email at [cmichels@impactdevgroup.com](mailto:cmichels@impactdevgroup.com) or via phone 310.386.2464 cell / 415.915.2522 office. We look forward to hearing from you. Thank you for your consideration of this appeal.

Sincerely,

IDG Palos Verde LP,  
a California limited partnership

By: Impact Development Group, LLC  
Its Manager



By: \_\_\_\_\_  
Gary P. Downs, Manager



May 11, 2021

Anthony Zeto, Deputy Director  
California Tax Credit Allocation Committee  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
[anthony.zeto@treasurer.ca.gov](mailto:anthony.zeto@treasurer.ca.gov)

RE: IDG Palos Verde, LP, a California limited Partnership (“**Applicant**”);  
Application for 9% low income housing tax credits, Round One, 2021 (“**Application**”);  
Palos Verde Apartments / CA-21-031 (the “**Project**”);  
Appeal of Point and Tie Breaker Scoring

Dear Mr. Zeto:

I reviewed the California Tax Credit Allocation Committee (“**TCAC**”) scoring letter dated May 5, 2021 (the “**Scoring Letter**”) for the Project. In the Scoring Letter, TCAC characterized the Rural Development (“**RD**”) Section 515 Loan described in the Application, as an assumed loan and not a new loan. This characterization is incorrect, contrary to the law and inconsistent with TCAC’s stated intent in approving its latest regulations.

The Scoring Letter states:

In the application, the final tie breaker sell-score is 51.73%. TCAC staff reduced the public funds numerator by the USDA 515 assumed loan amount of \$1,445,934. The project is subject to an existing TCAC regulatory agreement and the USDA loan was funded less than 30 years prior to the application deadline. TCAC Regulation Section 10325 does not permit this:

10325(c)(9)(i) Public funds. “Public funds” include federal, tribal, state, or local government funds, including the outstanding principal balances of prior existing public debt or subsidized debt that has been or will be assumed in the course of an acquisition/rehabilitation transaction, except that outstanding principal balances for projects subject to an existing CTCAC regulatory agreement shall not be considered public funds if such loans were funded less than 30 years prior to the application deadline.

#### New Debt

The Section 515 RD loan assumption described in the Application results in modifications that are so extensive that the loan is a new loan. After Applicant completes a new underwriting process, RD provides a new subsidy (including lowering of the interest rate to 1%) changes amortization and term, adds to security, and subordinates to a new senior lender. The change is memorialized in all new documents with a new loan number, and new title insurance is provided.

Anthony Zeto  
California Tax Credit Allocation Committee  
May 11, 2021  
Page 2

The loan at re-syndication closing is completely different than the original loan, and TCAC's treatment should recognize these differences.

Other public loan assumptions often have no modification. To the extent other public loan assumptions have some modification, in my experience the modification is not as extensive as a Section 515 RD loan assumption.

The TCAC regulations treat RD Section 515 loans differently than other public loans in other areas. For example, the tie breaker rules indicate to ignore the fact that the RD debt is not technically "soft" and to include it in the tie breaker calculation. See TCAC Regulation Section 10325(c)(9)(i). By treating the RD Section 515 loan assumption as a new loan and not as a loan funded less than 30 years prior to the application deadline, TCAC would continue to recognize and give effect to these differences.

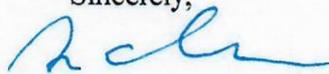
## Law

Under the law, old debt once materially modified is treated as new debt. In *Cottage Savings Association v. Commissioner*, 499 U.S. 554 (1991), the U.S. Supreme Court held that upon a material modification of the old loan, the loan will be deemed as a new loan under the Internal Revenue Code of 1986 ("**IRC**"). Under IRC Section 1001, the old loan is deemed exchanged for the new loan when the old loan is materially modified.

For the Project, the RHS Section 515 Loan is extensively modified, which is a higher standard than material modification. There is a new obligor, new subsidized interest rate, different amortization and term, new loan documents and loan number, and new title policy. TCAC should follow this approach and treat the RHS Section 515 Loan as a new loan for purposes of determining if the loan was funded less than 30 years prior to the application deadline.

In summary, the unique transfer assumption process, extensive modification and additional subsidy provided by RD means Section 515 RD loan assumption described in the Application should be treated as new loans purposes of determining if the loan was funded less than 30 years prior to the application deadline. Please contact me with any questions or concerns.

Sincerely,



Jason Vargelis

cc: Gary P. Downs (gdowns@impactdevgroup.com)  
Cynthia Michels (cmichels@impactdevgroup.com)



May 7, 2021

Anthony Zeto  
Deputy Director  
California Tax Credit Allocation Committee  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
[azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov)

RE: California Tax Credit Allocation Committee (“**TCAC**”) Project CA-21-031 (the “**Project**”) – Appeal of Point and Tie Breaker Scoring

Dear Mr. Zeto:

I am the Team Leader for the Western Region at USDA Rural Development, Multifamily Housing (“**RD**”). I have reviewed the TCAC Scoring Letter dated May 5, 2021 from Carmen Doonan for the Project. In the Tie Breaker Scoring, TCAC is treating the existing Section 515 Rural Development Loan on the Project as an assumed loan and not as a new financing. That loan is extensively re-underwritten by RD, materially modified and documented with a new set of documents and given a new loan number.

RD has extensive procedures for approving the transfer, assumption, and modification of this loan. Those processes are outlined in the RD Handbook that is part of the Federal Regulations. See HB-3-3560 Chapter 7. Our approval and modification involve extensive underwriting of the new project owner, the management company, and the owner’s principals. We also thoroughly underwrite the Project, requiring appraisals, capital needs assessments and many other third-party reports. This underwriting is no different than what we would do for a new loan. The loan is materially modified and documented with a new Restrictive Use Agreement, Loan Agreement, UCC-1, Title Insurance, among many other documents. Some of the material terms that change are as follows:

1. The maturity is extended to 30 years.
2. Prepayment prohibition is extended.
3. The new loan is amortized over 50 years.

**Rural Development**

154 Waiianuenue Avenue, Rm 311, Hilo, Hawaii 96720  
Voice (808) 933-8309 • Fax (808) 933-8327

*USDA is an equal opportunity provider, employer, and lender.*

4. The effective interest rate is set at 1%.
5. In many cases, RD agrees to subordinate the loan to necessary senior financing.
6. RD sets a new Return to Owner based upon a complex spreadsheet called the Physical Assessment Tool.

Please contact me directly at 808-933-8303 with any questions, comments, or concerns.

Sincerely,

**NATHAN  
RIEDEL**

Digitally signed by  
NATHAN RIEDEL  
Date: 2021.05.10  
12:54:55 -10'00'

Nate Riedel, *Team Lead*  
Team 2, West Region, Field Operations Division  
Multifamily Housing, Rural Development  
United States Department of Agriculture

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Parlier Plaza Apartments/Garden Valley Homes II Apartments, located at 640 Zediker Avenue and 9565 Flores Drive in Parlier and San Joaquin, requested and is being recommended for a reservation of \$805,895 in annual federal tax credits and \$2,685,066 in total state tax credits to finance the rehabilitation of 86 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 Community Preservation Partners, LLC and is located in Senate District 14 and Assembly District 31.

Parlier Plaza Apartments/Garden Valley Homes II Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project (CA-2005-882). See **Resyndication and Resyndication Transfer Event** below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

**Project Number** CA-21-003

**Project Name** Parlier Plaza Apartments / Garden Valley Homes II Apartments  
**Site Address:** 640 Zediker Avenue / 9565 Flores Drive  
Parlier / San Joaquin 93648 / 93660 County: Fresno  
**Census Tract:** 68.02 / 82.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$805,895	\$2,685,066
Recommended only if the Committee approves a pending appeal:	\$805,895	\$2,696,066

**Applicant Information**

**Applicant:** PSJ Investment Group, LP  
**Contact:** Ronald D. Bettencourt  
**Address:** 1010 Raquet Club Dr., Suite 106  
Auburn, CA 95603  
**Phone:** 805.439.0328  
**Email:** whitecapcoastal@sbcglobal.net

**General Partner(s) / Principal Owner(s):** Bettencourt Properties, Inc.  
The Beneficial Housing Foundation  
**General Partner Type:** Joint Venture  
**Parent Company(ies):** PSJ Investment Group, LP  
**Developer:** Community Preservation Partners, LLC  
**Investor/Consultant:** WNC & Associates, Inc.  
**Management Agent(s):** AWI Management Corporation

**Project Information**

Construction Type: Acquisition & Rehabilitation  
 Total # Residential Buildings: 38  
 Total # of Units: 88  
 No. & % of Tax Credit Units: 86 100%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: HUD Section 8 Project-based Contract (88 Units - 100%) / USDA RHS 515

**Information**

Set-Aside: Rural  
 Housing Type: Large Family  
 Geographic Area: N/A  
 TCAC Project Analyst: Nick White

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 9	10%
At or Below 40% AMI: 9	10%
At or Below 50% AMI (Rural): 43	50%

**Unit Mix**

24 1-Bedroom Units
16 2-Bedroom Units
24 3-Bedroom Units
18 4-Bedroom Units
6 5-Bedroom Units
<u>88 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
11 1 Bedroom	60%	\$787
3 2 Bedrooms	60%	\$945
6 3 Bedrooms	60%	\$1,090
5 4 Bedrooms	60%	\$1,216
11 1 Bedroom	50%	\$656
8 2 Bedrooms	50%	\$787
12 3 Bedrooms	50%	\$908
9 4 Bedrooms	50%	\$1,013
3 5 Bedrooms	50%	\$1,118
1 1 Bedroom	40%	\$525
2 2 Bedrooms	40%	\$630
3 3 Bedrooms	40%	\$727
2 4 Bedrooms	40%	\$811
1 5 Bedrooms	40%	\$895
1 1 Bedroom	30%	\$393
2 2 Bedrooms	30%	\$472
3 3 Bedrooms	30%	\$545
2 4 Bedrooms	30%	\$608
1 5 Bedrooms	30%	\$671
1 2 Bedrooms	Manager's Unit	\$0
1 5 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,992,501
Construction Costs	\$0
Rehabilitation Costs	\$7,176,400
Construction Contingency	\$817,640
Relocation	\$200,000
Architectural/Engineering	\$298,000
Const. Interest, Perm. Financing	\$838,708
Legal Fees	\$175,000
Reserves	\$838,000
Other Costs	\$547,967
Developer Fee	\$1,537,417
Commercial Costs	\$0
<b>Total</b>	<b>\$16,421,633</b>

**Residential**

Construction Cost Per Square Foot:	\$87
Per Unit Cost:	\$186,609
True Cash Per Unit Cost*:	\$186,609

**Construction Financing**

Source	Amount
California Bank & Trust	\$6,165,000
USDA RD 515 (assumed)	\$2,090,717
Seller Credit	\$440,000
Replacement Reserves	\$51,262
Tax Credit Equity	\$7,674,654

**Permanent Financing**

Source	Amount
California Bank & Trust	\$5,110,000
USDA RD 515 (assumed)	\$2,090,717
Seller Credit	\$440,000
Replacement Reserves	\$51,262
Tax Credit Equity	\$8,729,654
<b>TOTAL</b>	<b>\$16,421,633</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis (Rehabilitation):	\$8,954,387
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$8,954,387
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$805,895
Total State Credit:	\$2,685,066
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,537,417
Investor/Consultant:	WNC & Associates, Inc.
Federal Tax Credit Factor:	\$0.85000
State Tax Credit Factor:	\$0.70000

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.

### **Tie-Breaker Information**

First: **Large Family**  
Final: **45.073%**

### **Significant Information / Additional Conditions**

The applicant provided a separate utility allowance for each of the project's two sites.

### **Resyndication and Resyndication Transfer Event**

Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-2005-882). To be eligible for a new award of tax credits, the owner must provide documentation with the Form 8609 request (the placed in service submission) that the acquisition date and the placed in service date both occurred after the existing federal 15 year compliance period was completed.

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

The newly resyndicated project shall continue to meet the rents and income targeting levels in the existing regulatory agreement(s) and any deeper targeting levels in the new regulatory agreement(s) for the duration of the new regulatory agreement(s). Existing households determined to be income-qualified for purposes of IRC §42 credit during the 15-year compliance period are concurrently income-qualified households for purposes of the extended use agreement. As a result, any household determined to be income qualified at the time of move-in under the existing regulatory agreement (CA-2005-882) is a qualified low-income household for the subsequent allocation (existing household eligibility is "grandfathered").

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on TCAC staff's review of the commitment in the application. The services documented in the placed in service package will be reviewed by TCAC staff for compliance with this requirement at the time of the placed in service submission.

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from the requirements under TCAC Regulation Section 10320(b)(4)(B).

### **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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	3	3	3
Within ½ mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within ½ mile of a neighborhood market of at least 5,000 sf	3	3	3
Within ¾ mile of an elementary public school that project households may attend	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

The Village at Douglas, located at 338, 348, 352 Douglas Street in Los Angeles, requested and is being recommended for a reservation of \$847,225 in annual federal tax credits and \$2,824,082 in total state tax credits to finance the new construction of 60 units of housing serving seniors with rents affordable to households earning 30-80% of area median income (AMI). The project will be developed by Global Premier Development, Inc. and will be located in Senate District 24 and Assembly District 51.

**Project Number** CA-21-021

**Project Name** The Village at Douglas  
Site Address: 338, 348, 352 Douglas Street  
Los Angeles CA, 90026 County: Los Angeles  
Census Tract: 2080.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$847,225	\$2,824,082
Recommended:	\$847,225	\$2,824,082

approves the pending appeal:

\* The applicant made an election not to sell (Certificate) any portion of the state credits.

**Applicant Information**

Applicant: Global Premier Development, Inc.  
Contact: Andrew Hanna  
Address: 2010 Main Street Suite 1250  
Irvine CA, 92614 92614  
Phone: (949) 777-6931  
Email: Andrew@globalpremierdevelopment.com

General Partner(s) / Principal Owner(s): Global Premier Development, Inc.  
Living Hope Housing Foundation  
General Partner Type: Joint Venture  
Parent Company(ies): Global Premier Development, Inc.  
Living Hope Housing Foundation  
Developer: Global Premier Development, INC.  
Investor/Consultant: Hunt Capital Partners, LLC  
Management Agent(s): FPI Management, INC.

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 500  
No. & % of Tax Credit Units: 60 12%  
Federal Set-Aside Elected: 40%/60% Average Income

**Information**

Set-Aside: N/A  
Housing Type: Seniors  
Geographic Area: City of Los Angeles  
TCAC Project Analyst: Sopida Steinwert

**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:	22 35%
At or Below 50% AMI:	14 20%
At or Below 60% AMI:	7 10%
At or Below 70% AMI:	6 10%
At or Below 80% AMI:	5 5%

**Unit Mix**

499 SRO/Studio Units  
1 2-Bedroom Units  
500 Total Units

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 SRO/Studio	30%	\$591
22 SRO/Studio	40%	\$789
14 SRO/Studio	50%	\$986
7 SRO/Studio	60%	\$1,183
6 SRO/Studio	70%	\$1,380
5 SRO/Studio	80%	\$1,578
1 2 Bedrooms	Manager's Unit	\$0
3 SRO/Studio	Manager's Unit	\$0
341 SRO/Studio	Market Rate Unit	\$455,917
95 SRO/Studio	Market Rate Unit	\$145,825

**Project Cost Summary at Application**

Land and Acquisition	\$14,250,000
Construction Costs	\$65,349,929
Rehabilitation Costs	\$0
Construction Contingency	\$1,385,837
Relocation	\$0
Architectural/Engineering	\$2,138,294
Const. Interest, Perm. Financing	\$4,437,760
Legal Fees	\$51,100
Reserves	\$1,709,920
Other Costs	\$2,998,879
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$94,521,720</b>

## Residential

Construction Cost Per Square Foot:	\$314
Per Unit Cost:	\$189,043
True Cash Per Unit Cost*:	\$186,843

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
HHF / HUD 221(d)(4)	\$82,549,000	HHF / HUD 221(d)(4)	\$82,549,000
Deferred Developer Fee	\$1,100,000	Deferred Developer Fee	\$1,100,000
Tax Credit Equity	\$10,872,720	Tax Credit Equity	\$10,872,720
		<b>TOTAL</b>	<b>\$94,521,720</b>

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

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$77,819,193
130% High Cost Adjustment:	Yes
Applicable Fraction:	12.10%
Qualified Basis:	\$9,413,612
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$847,225
Total State Credit:	\$2,824,082
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Hunt Capital Partners, LLC
Federal Tax Credit Factor:	\$1.00000
State Tax Credit Factor:	\$0.85000

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.

### Tie-Breaker Information

Initial:	<b>No Letter of Support</b>
First:	<b>Seniors</b>
Final:	<b>8.835%</b>

### Significant Information / Additional Conditions:

This project is a 10 story building consisting of senior and non-senior units. There are 100 units reserved for senior households that will be located on floors 2 and 3. The applicant provided a legal opinion stating the project will meet all federal and state fair housing laws as they relate to combining family units and senior-restricted units on the same site.

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

### 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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>0</b>	<b>0</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
SPECIAL NEEDS HOUSING TYPE			
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>99</b>	<b>99</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Duro Road Housing Project, located on Duro Road near its intersection with Lake Wohlford Road, requested and is being recommended for a reservation of \$1,711,140 in annual federal tax credits and \$5,703,800 in total state tax credits to finance the new construction of 29 units of housing serving large families with rents affordable to households earning 30-80% of area median income (AMI). The project will be developed by the San Pasqual Tribe and will be located in Senate District 39 and Assembly District 78.

**Project Number** CA-21-025

**Project Name** Duro Road Housing Project  
**Site Address:** On Duro Road northeast of its intersection with Lake Wohlford Road  
Valley Center, CA 92082 County: San Diego  
**Census Tract:** 201.030

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$1,711,140	\$5,703,800
Recommended only if the Committee approves the pending appeal:	\$1,711,140	\$5,703,800

\* The applicant made an election not to sell (Certificate) any portion of the state credits.

**Applicant Information**

**Applicant:** San Pasqual Tribe  
**Contact:** Stephen W. Cope  
**Address:** 16410 Kumeyaay Way  
PO Box 365  
Valley Center, CA 92082  
**Phone:** (760) 651-5128  
**Email:** stevenc@sanpasqualtribe.org

**General Partner(s) / Principal Owner(s):** San Pasqual Housing & Community Development  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** San Pasqual Housing & Community Development  
**Developer:** San Pasqual Tribe  
**Investor/Consultant:** Raymond James Tax Credit Funds, Inc.  
**Management Agent(s):** Hyder & Company

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 30  
**Total # of Units:** 30  
**No. & % of Tax Credit Units:** 29 100%  
**Federal Set-Aside Elected:** 40%/60% Average Income  
**Federal Subsidy:** San Pasqual Tribe HAP Contract

**Information**

Set-Aside: Rural (Native American apportionment)  
Housing Type: Large Family  
Geographic Area: N/A  
TCAC Project Analyst: Ruben Barcelo

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 6	20%
At or Below 50% AMI: 12	40%

**Unit Mix**

10 3-Bedroom Units
<u>20 4-Bedroom Units</u>
30 Total Units

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 3 Bedrooms	30%	\$847
3 3 Bedrooms	50%	\$1,322
2 3 Bedrooms	60%	\$1,667
2 3 Bedrooms	80%	\$2,127
4 4 Bedrooms	30%	\$925
5 4 Bedrooms	50%	\$1,400
4 4 Bedrooms	60%	\$1,835
1 4 Bedrooms	80%	\$2,445
1 5 Bedrooms	30%	\$1,109
2 5 Bedrooms	50%	\$1,809
1 5 Bedrooms	60%	\$2,069
1 5 Bedrooms	80%	\$2,759
1 4 Bedrooms	Manager's Unit	\$1,445

**Project Cost Summary at Application**

Land and Acquisition	\$0
Construction Costs	\$19,289,718
Rehabilitation Costs	\$0
Construction Contingency	\$1,114,486
Relocation	\$0
Architectural/Engineering	\$750,000
Const. Interest, Perm. Financing	\$100,000
Legal Fees	\$0
Reserves	\$48,190
Other Costs	\$1,775,890
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$25,278,284</b>

**Residential**

Construction Cost Per Square Foot:	\$363
Per Unit Cost:	\$842,609
True Cash Per Unit Cost*:	\$842,609

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
San Pasqual Band of Mission Indians	\$6,571,273	San Pasqual Band of Mission Indians	\$6,571,273
Tax Credit Equity	\$18,707,011	Tax Credit Equity	\$18,707,011
		<b>TOTAL</b>	<b>\$25,278,284</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$19,012,668
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$19,012,668
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,711,140
Total State Credit:	\$5,703,800
Approved Developer Fee in Project Cost:	\$2,200,000
Approved Developer Fee in Eligible Basis:	\$2,140,000
Investor/Consultant:	Raymond James Tax Credit Funds, Inc.
Federal Tax Credit Factor:	\$0.84992
State Tax Credit Factor:	\$0.73000

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.

**Tie-Breaker Information**

First:	<b>Large Family</b>
Final:	<b>48.767%</b>

**Significant Information / Additional Conditions**

The project cost per unit is estimated to be \$842,609. The site is located on a slope and will require significant grading and earthwork. In addition, the project is providing larger unit sizes (3, 4, and 5 bedrooms) and most units are a fully detached building including a garage (single family home design). These contribute to the high cost per unit.

The applicant has committed to providing the project with a Housing Assistance Payments agreement that will be applied in the event the project experiences a shortfall in monthly rental income.

**Resyndication and Resyndication Transfer Event:** None

**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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>2</b>	<b>2</b>
For Rural set-aside projects, within 1.5 miles of a public park	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50.0	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>96</b>	<b>96</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Palos Verde Apartments, located at 21797 Reynolds Ave in Dos Palos, requested and is being recommended for a reservation of \$451,838 in annual federal tax credits and \$1,506,127 in total state tax credits to finance the rehabilitation of 31 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 Impact Development Group, LLC and is located in Senate District 12 and Assembly District 21.

Palos Verde Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Palos Verde Apartments (CA-95-128). See **Resyndication and Resyndication Transfer Event** below for additional information. The project will be receiving rental assistance in the form of USDA RHS 521 Rental Assistance.

**Project Number** CA-21-031

**Project Name** Palos Verde Apartments  
**Site Address:** 21797 Reynolds Ave  
Dos Palos, CA 93620 County: Merced  
**Census Tract:** 24.020

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$451,838	\$1,506,127
Recommended only if the Committee approves the pending appeal:	\$451,838	\$1,506,127

\* The applicant made an election not to sell (Certificate) any portion of the state credits.

**Applicant Information**

**Applicant:** IDG Palos Verde, LP  
**Contact:** Cynthia Michels  
**Address:** 235 Montgomery Street, 30th Floor  
San Francisco, CA 94104  
**Phone:** 310-386-2464  
**Email:** cmichels@impactdevgroup.com

**General Partner(s) / Principal Owner(s):** Kingdom Development, Inc.  
Impact Development Group, LLC  
**General Partner Type:** Joint Venture  
**Parent Company(ies):** Kingdom Development, Inc.  
Impact Development Group, LLC  
**Developer:** Impact Development Group, LLC  
**Investor/Consultant:** Boston Financial  
**Management Agent(s):** Infinity Management & Investment

**Project Information**

Construction Type: Rehabilitation  
 Total # Residential Buildings: 7  
 Total # of Units: 32  
 No. & % of Tax Credit Units: 31 100%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: USDA RHS 521 Rental Subsidy (28 Units - 90%) / USDA RHS 514

**Information**

Set-Aside: Rural  
 Housing Type: Large Family  
 Geographic Area: N/A  
 TCAC Project Analyst: Franklin Cui

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 5	15%
At or Below 45% AMI: 12	35%
At or Below 50% AMI (Rural): 8	25%
At or Below 60% AMI: 6	20%

**Unit Mix**

4 1-Bedroom Units
16 2-Bedroom Units
8 3-Bedroom Units
4 4-Bedroom Units
<u>32 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 1 Bedroom	30%	\$394
2 1 Bedroom	45%	\$590
1 1 Bedroom	50%	\$656
2 2 Bedrooms	30%	\$472
4 2 Bedrooms	45%	\$708
3 2 Bedrooms	50%	\$787
5 2 Bedrooms	60%	\$944
1 3 Bedrooms	30%	\$545
3 3 Bedrooms	45%	\$817
2 3 Bedrooms	50%	\$908
1 3 Bedrooms	60%	\$1,090
1 4 Bedrooms	30%	\$608
2 4 Bedrooms	45%	\$912
1 2 Bedrooms	45%	\$708
1 2 Bedrooms	50%	\$787
1 4 Bedrooms	50%	\$1,013
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,445,934
Construction Costs	\$0
Rehabilitation Costs	\$3,555,396
Construction Contingency	\$493,524
Relocation	\$45,000
Architectural/Engineering	\$121,000
Const. Interest, Perm. Financing	\$173,899
Legal Fees	\$125,000
Reserves	\$88,945
Other Costs	\$94,784
Developer Fee	\$654,838
Commercial Costs	\$0
<b>Total</b>	<b>\$6,798,320</b>

**Residential**

Construction Cost Per Square Foot:	\$114
Per Unit Cost:	\$212,448
True Cash Per Unit Cost*:	\$211,140

**Construction Financing**

Source	Amount
JP Morgan Chase	\$3,355,438
USDA - RHS 514 (assumed)	\$1,445,934
Acquired Replacement Reserves	\$130,000
Deferred Fees and Costs	\$468,197
Tax Credit Equity	\$1,398,751

**Permanent Financing**

Source	Amount
USDA - RHS 514 (assumed)	\$1,445,934
Acquired Replacement Reserves	\$130,000
Deferred Developer Fee	\$41,828
Tax Credit Equity	\$5,180,558
<b>TOTAL</b>	<b>\$6,798,320</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis (Rehabilitation):	\$5,020,423
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$5,020,423
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$451,838
Total State Credit:	\$1,506,127
Approved Developer Fee (in Project Cost & Eligible Basis):	\$654,838
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.87991
State Tax Credit Factor:	\$0.79992

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.

**Tie-Breaker Information**

First: **Large Family**  
Final: **29.913%**

**Significant Information / Additional Conditions:** None

**Resyndication and Resyndication Transfer Event**

Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-1995-128). To be eligible for a new award of tax credits, the owner must provide documentation with the Form 8609 request (the placed in service submission) that the acquisition date and the placed in service date both occurred after the existing federal 15 year compliance period was completed.

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

The newly resyndicated project shall continue to meet the rents and income targeting levels in the existing regulatory agreement(s) and any deeper targeting levels in the new regulatory agreement(s) for the duration of the new regulatory agreement(s).

Existing households determined to be income-qualified for purposes of IRC §42 credit during the 15-year compliance period are concurrently income-qualified households for purposes of the extended use agreement. As a result, any household determined to be income qualified at the time of move-in under the existing regulatory agreement (CA-95-128) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

The project is a re-syndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from setting aside a Short Term Work Capitalized Replacement Reserve that is otherwise required.

**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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of a public high school	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

The Arthur at Blackstone, located at 3039 North Blackstone Avenue in Fresno, requested and is being recommended for a reservation of \$1,938,867 in annual federal tax credits to finance the new construction of 40 units of housing serving special needs tenants with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Housing Authority of the City of Fresno and will be located in Senate District 8 and Assembly District 31.

The Arthur at Blackstone will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers and RAD. The project financing includes state funding from the NPLH and IIG programs of HCD.

**Project Number** CA-21-044

**Project Name** The Arthur at Blackstone  
Site Address: 3039 N. Blackstone Avenue  
Fresno, CA 93703 County: Fresno  
Census Tract: 35.000

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,938,867	\$0
Recommended only if the Committee approves the pending appeal:	\$1,938,867	\$0

**Applicant Information**

Applicant: Housing Authority of the City of Fresno  
Contact: Michael Duarte  
Address: 1331 Fulton Street  
Fresno, CA 93721  
Phone: 559-443-8492  
Email: mduarte@fresnohousing.org

General Partner(s) / Principal Owner(s): Housing Authority of the City of Fresno  
Silvercrest, Inc.  
General Partner Type: Nonprofit  
Parent Company(ies): Housing Authority of the City of Fresno  
Silvercrest, Inc.  
Developer: Housing Authority of the City of Fresno  
Investor/Consultant: CREA  
Management Agent(s): Fresno Housing Authority

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 3  
 Total # of Units: 41  
 No. & % of Tax Credit Units: 40 100%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: HUD Section 8 Project-based Vouchers (20 units - 50%) / HUD RAD (20 units - 50%) / HOME

**Information**

Set-Aside: Special Needs  
 Housing Type: Special Needs  
 Type of Special Needs: Homeless  
 Average Targeted Affordability of Special Needs/SRO Project Units: 39.00%  
 % of Special Need Units: 20 units 50.00%  
 Geographic Area: Central Valley Region  
 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: 22	55%
At or Below 40% AMI: 4	10%
At or Below 50% AMI: 10	25%

**Unit Mix**

15 SRO/Studio Units
12 1-Bedroom Units
8 2-Bedroom Units
6 3-BedroomUnits
<u>41 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
15 SRO/Studio	30%	\$367
5 1 Bedroom	30%	\$393
7 1 Bedroom	50%	\$656
1 2 Bedrooms	30%	\$472
2 2 Bedrooms	40%	\$630
3 2 Bedrooms	50%	\$787
2 2 Bedrooms	60%	\$870
1 3 Bedrooms	30%	\$545
2 3 Bedrooms	40%	\$727
2 3 Bedrooms	60%	\$1,090
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$865,737
Construction Costs	\$15,874,904
Rehabilitation Costs	\$0
Construction Contingency	\$984,460
Relocation	\$39,509
Architectural/Engineering	\$987,726
Const. Interest, Perm. Financing	\$1,020,292
Legal Fees	\$173,404
Reserves	\$388,629
Other Costs	\$839,824
Developer Fee	\$2,200,000
Commercial Costs	\$733,080
<b>Total</b>	<b>\$24,107,565</b>

**Residential**

Construction Cost Per Square Foot:	\$459
Per Unit Cost:	\$569,451
True Cash Per Unit Cost*:	\$569,451

**Construction Financing**

Source	Amount
US Bank	\$15,993,017
City of Fresno - HOME	\$1,633,112
Fresno HA Loan	\$1,000,000
HCD - IIG	\$1,833,700
Deferred Costs	\$2,033,629
Tax Credit Equity	\$1,614,107

**Permanent Financing**

Source	Amount
City of Fresno - HOME	\$1,633,112
Housing Authority of the City of Fresno	\$1,000,000
HCD - NPLH	\$3,499,685
HCD - IIG	\$1,833,700
Tax Credit Equity	\$16,141,068
<b>TOTAL</b>	<b>\$24,107,565</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$16,571,512
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$21,542,966
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,938,867
Approved Developer Fee in Project Cost:	\$2,200,000
Approved Developer Fee in Eligible Basis:	\$2,172,996
Investor/Consultant:	CREA
Federal Tax Credit Factor:	\$0.83250

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.

**Tie-Breaker Information**

First:	<b>Special Needs</b>
Final:	<b>58.921%</b>

**Significant Information / Additional Conditions**

Development costs are roughly \$569,451 per unit. This can attributed to existing structures on land when it was acquired, and market costs of construction.

**Resyndication and Resyndication Transfer Event:** None

**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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/2 mile of a public middle school	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>SPECIAL NEEDS HOUSING TYPE</b>			
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
Health/behavioral services provided by licensed org. or individual	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

## **AGENDA ITEM 6**

Discussion and Consideration of the  
2021 First Round Applications for  
Reservation of Federal Nine  
Percent (9%) and State Low Income  
Housing Tax Credits (LIHTCs)

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-21-001	Las Haciendas Apartments 28772 Calle Cortez and 28715 Las Haciendas Temecula, CA 92590 County of Riverside	Las Haciendas Housing Associates, L.P. Mary Jane Jagodzinski	CHW Las Haciendas LLC Mary Jane Jagodzinski	Community HousingWorks Mary Jane Jagodzinski	Emma M. Alvarez, Trustee of the Alvarez Survivor's Turst u/t/d November 12, 2009 and Emma M. Alvarez, Trustee of the Alvarez Qualified Income Trust u/t/d November 12, 2009 Emma M. Alvarez	Wells Fargo City of Temecula CCRC
CA-21-002	Los Lirios Apartments 113, 119, and 121 S. Soto Street Los Angeles, CA 90033 County of Los Angeles	East LA Community Corporation Jacqueline Monterrosas	East LA Community Corporation Jacqueline Monterrosas BRIDGE Housing Corporation Brandie Gordon	East LA Community Corporation Jacqueline Monterrosas	Los Angeles County Metropolitan Authority Nick Saponara	JP Morgan Chase Bank HCIDLA - HOME HCIDLA - HHH HCD TOD
CA-21-004	Chukchansi LIHTC #1 High School Road and Indian Springs Road Oakhurst, CA 93644 County of Madera	Chukchansi LIHTC #1 Limited Partnership Claudia Gonzales	Picayune Rancheria of the Chukchansi Indians Claudia Gonzales	Picayune Rancheria of the Chukchansi Indians Claudia Gonzales	Picayune Rancheria of the Chukchansi Indians Claudia Gonzales	Picayune Rancheria of the Chukchansi Indians
CA-21-005	QHA Homes III Ironwood Subdivision - Fort Yuma Reservation Winterhaven, CA 92283 County of Imperial	QHA Homes III Limited Partnership Andreana Jackson	Quechan Housing Authority Andreana Jackson	Quechan Housing Authority Andreana Jackson	Quechan Housing Authority Andreana Jackson	Quechan Housing Authority Loan
CA-21-008	Grand Ave Villa Apartments 3740 May Street Sacramento, CA 95838 County of Sacramento	GAV Community Partners, LP Anand Kannan	WNC - GAV GP, LLC Anand Kannan FFAH V Grand Avenue Villa, LLC Melissa Vincent	Community Preservation Partners, LLC Belinda Lee	May St LLC Victoria Chen	Banner Bank
CA-21-010	Fair Haven Commons 1695 Sunset Avenue Fairfield, CA 94533 County of Solano	MidPen Housing Corporation Jan M. Lindenthal	MP 1700 Santa Monica LLC Jan M. Lindenthal	MidPen Housing Corporation Sarah McIntire	Fairfield Housing Authority Stefan T. Chatwin	Union Bank Fairfield Housing Authority Loan City of Fairfield Solano County HCD NPLH
CA-21-011	Monte Vista Manor 901 West Tulare Road Lindsay, CA 93247 County of Tulare	Lindsay Monte Vista, LP Christina Alley	Central Valley Coalition for Affordable Housing Christina Alley	Micon Real Estate, Inc. Michael L. Condry	Monte Vista Associates, a California limited partnership Cliff & Delta Emerson	Bonneville USDA Section 515
CA-21-015	Union Bank Apartments 4038 44th Street / 4390 University Avenue San Diego, CA 92105 County of San Diego	Wakeland Price UB LP Kenneth L. Sauder	Wakeland Price UB LLC Kenneth L. Sauder	Wakeland Housing & Development Corporation Kenneth L. Sauder	City Heights Realty LLC Jeffrey Fisher	US Bank Construction loan Price Philanthropies County of San Diego City of San Diego
CA-21-016	Esperanza Commons 241 Tuft Street Mendota, CA 93640 County of Fresno	Housing Authority of Fresno County Preston Prince	Housing Authority of Fresno County Michael Duarte Silvercrest, Inc. Michael Duarte	Housing Authority of Fresno County, California Michael Duarte	Silvercrest, Inc. Preston Prince	US Bank USDA 514 Housing Authority of Fresno County
CA-21-024	Lorena Plaza 3401 East 1st Street Los Angeles, CA 90063 County of Los Angeles	Lorena Plaza, L.P. Dora Leong Gallo	Supportive Housing LLC Dora Leong Gallo	A Community of Friends Mee Heh Risdon	LACMTA (Metro) Nicholas Saponara	Citibank HCIDLA LA County DMH - SNPH HCD - IIG

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-21-026	6th Street Grand 112 - 132 South 6th Street Montebello, CA 90640 County of Los Angeles	Vista del Monte Affordable Housing, Inc. Alfredo R. Izmajtovich	Vista del Monte Affordable Housing, Inc. Alfredo R. Izmajtovich	Cesar Chavez Foundation Alfredo R. Izmajtovich	Ying Sing LP / The City of Montebello Joseph A. Palombi	JPMorgan Chase Bank The City of Montebello LACDA
CA-21-027	The Emerald 27th St W & W Avenue K12 Lancaster, CA 93536 County of Los Angeles	The Emerald 2020, L.P. Stephanie Klasky Gamer	The Emerald 2020 GP, LLC Stephanie Klasky Gamer LA Family Housing Elda Mendez-Lemus	LA Family Housing Elizabeth Tooke Moore	Min-Chan John Chow & Shu-Ming Tang Chow Revocable Trust Kun-Shen Liao & Henry Wu Liao; Jui-Peng Tang & Shu-Jen Chan; Yun-Chen Tang & Amy Tang; Shih-Shu Peng & Wei-Chin Tang; Min Chan John Chow & Shu-Ming Tang as Trustees of the Min-Chan John Chow Chow & Shu-Ming Tang Chow Revocable	Bank of America LACDA - NPLH LACDA - AHTF CCRC
CA-21-028	Harry's House 890 N Refugio Road Santa Ynez, CA 93460 County of Santa Barbara	Harry's House, L.P. Robert P. Havlicek Jr	Surf Development Company Robert P. Havlicek Jr Housing Authority of the County of Santa Barbara Robert P. Havlicek Jr The Rona Barrett Foundation Rona Barrett	Housing Authority of the County of Santa Barbara Robert P. Havlicek Jr.	Rona Barrett Foundation Rona Barrett	Pacific Western Bank HACSB - HOME HACSB
CA-21-032	Coachella Valley Apartments 84900 Bagdad Avenue Coachella, CA 92236 County of Riverside	Community Housing Opportunities Corporation Vincent Nicholas	Community Housing Opportunities Corporation Peter Lundberg Eugene Burger Management Company Stephen Burger	Community Housing Opportunities Corporation Vincent Nicholas	Coachella Housing Project Manuela Silva	Wells Fargo USDA 515 Assumed Loan HCD - Joe Serna Riverside County HOME Bonneville Multifamily Capital City of Coachella
CA-21-033	Walnut Place 1064 Walnut Avenue Greenfield, CA 93927 County of Monterey	1064 Walnut Ave., L.P., a California limited partnership Lori Koester	Corporation for Better Housing Lori Koester	Corporation for Better Housing Lori Koester	Integrated Community Dev., LLC Benjamin Lingo	Pacific Western Bank USDA
CA-21-034	Walnut Terrace 1032 Walnut Avenue Greenfield, CA 93927 County of Monterey	1032 Walnut Ave., L.P., a California limited partnership Lori Koester	Corporation for Better Housing Lori Koester	Corporation for Better Housing Lori Koester	Integrated Community Dev., LLC Benjamin Lingo	Pacific Western Bank USDA
CA-21-036	Mountain View 24551 Raymond Way Lake Forest, CA 92630 County of Orange	National Community Renaissance of California Ashley Wright	NCRC Lake Forest LLC Ashley Wright	National Community Renaissance of California Ashley Wright	Kircher Family Partners, L.P., a California limited partnership Christopher J. Coulter	Wells Fargo City of Lake Forest Orange County SNHP AHP California Bank and Trust
CA-21-041	Nadeau 1216 Nadeau St. Los Angeles, CA 90001 County of Los Angeles	Nadeau SH, L.P. Mellody Lock	AHG Nadeau LLC Mellody Lock NEXUS for Affordable Housing Gina Onweiler	Affirmed Housing Group, Inc. Mellody Lock	1200 Nadeau LLC, a California limited company Jeff Kuzma	Chase Bank LACDA
CA-21-042	The Apartments at Toscano 3065 Lucca Lane San Luis Obispo, CA 93401 County of San Luis Obispo	San Luis Obispo Nonprofit Housing Corporation Ken Litzinger	San Luis Obispo Nonprofit Housing Corporation Ken Litzinger	San Luis Obispo Nonprofit Housing Corporation Ken Litzinger	Housing Authority of the City of San Luis Obispo Scott Smith	Pacific Western Bank County of San Luis Obispo Housing Authority of San Luis Obispo City of San Luis Obispo

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-21-046	Vera Cruz Village 116 East Cota Street Santa Barbara, CA 93101 County of Santa Barbara	116 East Cota Street Associates, LP Rob L. Fredericks	Garden Court, Inc. Rob L. Fredericks 2nd Story Associates Veronica Loza	Santa Barbara Affordable Housing Group Rob L. Fredericks	Housing Authority of the City of Santa Barbara Rob L. Fredericks	Citi Community Capital City of Santa Barbara Housing Authority of the City of Santa Barbara Enterprise Community Partners
CA-21-047	Shasta Garden Apartments 226 East Shasta Street Orland, CA 95963 County of Glenn	DHI Shasta Garden Apartments, LP Justin Solomon	DHI Shasta Garden Associates, LLC Justin Solomon Community Resident Services Erin Myers	Dawson Holdings, Inc. Justin Solomon	Joiner Limited Partnership James Joiner	Bonneville Multifamily Capital USDA-515 Loan
CA-21-048	Imagine Village II 44000 Sahuayo Street Lancaster, CA 93535 County of Los Angeles	Abbey Road, Inc. Maura Johnson	Abbey Road, Inc. Maura Johnson	Abbey Road, Inc. Maura Johnson	Penny Lane Centers Bernard LaFianza	Chase Bank LACDA CCRC HCD - SHMHP County of Los Angeles
CA-21-050	Valley Senior Village 337 East Valley Parkway Escondido, CA 92025 County of San Diego	Ivy Valley Housing Partners, L.P. Ted Miyahara	National Community Renaissance of California Michael M Ruane Ivy Valley Housing LLC Ted Miyahara	National Community Renaissance of California Randy Slabbers	Abad Rahan Pars, Inc. Hamed Hamidnia	JP Morgan Chase Bank, N.A. County of San Diego City of Escondido
CA-21-053	Willow Greenridge 1565 El Camino Real 982, 986,990 Brusco Way 344, 364, 383, 395 Susie Way 976 Sandra Court; 986 Nora Way South San Francisco, CA 94080 County of San Mateo	MidPen Housing Corporation Jan M. Lindenthal	MP Greenridge LLC Jan M. Lindenthal	MidPen Housing Corporation Jeffrey Summerville	MP Greenridge Associates Jan M. Lindenthal Willow Gardens Housing Associates Jan M. Lindenthal	Silicon Valley Bank Construction Loan City of South San Francisco County of San Mateo CCRC
CA-21-054	Sierra Village II 1375 N Crawford Ave Dinuba, CA 93618 County of Tulare	Self-Help Enterprises Betsy McGovern-Garcia	Self-Help Enterprises Betsy McGovern-Garcia	Self-Help Enterprises Betsy McGovern-Garcia	Sierra Village L.P. Sierra Village GP LLC	US Bank HCD IIG NeighborWorks Capital AHP City of Dinuba County of Tulare
CA-21-056	Westport Cupertino 21267 Stevens Creek Boulevard Cupertino, CA 95014 County of Santa Clara	Cupertino Pacific Associates, a California Limited Partnership Caleb Roope	TPC Holdings IX, LLC Caleb Roope Central Valley Coalition for Affordable Housing Christina Alley	Pacific West Communities, Inc. Caleb Roope	190 West St. James, LLC Kenneth S. Tersini	California Bank & Trust
CA-21-058	East Lake Apartments 1315 Yuba Street Marysville, CA 95901 County of Yuba	Valley Initiative for Affordable Housing, a California Nonprofit Public Benefit Corporation Dorothy Knox	TPC Holdings IX, LLC Caleb Roope Valley Initiative for Affordable Housing Dorothy Knox	Pacific West Communities, Inc. Caleb Roope	Highmark Land Company, LLC John Ochipinti	California Bank & Trust
CA-21-060	Myrtle Avenue Senior Apartments 4316 West Myrtle Avenue Visalia, CA 93277 County of Tulare	Visalia Pacific Associates, a California Limited Partnership Caleb Roope	TPC Holdings IX, LLC Caleb Roope Kaweah Management Company Kenneth Kugler	Pacific West Communities, Inc. Caleb Roope	Housing Authority of the County of Tulare Kenneth Kugler	California Bank & Trust Housing Authority of the County of Tulare

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Las Haciendas Apartments, located at 28772 Calle Cortez and 28715 Las Haciendas in Temecula, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the new construction of 76 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 Community HousingWorks and will be located in Senate District 28 and Assembly District 75.

**Project Number** CA-21-001

**Project Name** Las Haciendas Apartments  
Site Address: 28772 Calle Cortez and 28715 Las Haciendas  
Temecula, CA 92590 County: Riverside  
Census Tract: 512.000

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

**Applicant Information**

Applicant: Las Haciendas Housing Associates, L.P.  
Contact: Mary Jane Jagodzinski  
Address: 3111 Camino del Rio North, Suite 800  
San Diego CA, 92108  
Phone: (619) 450-8710  
Email: mj jag@chworks.org

General Partner(s) / Principal Owner(s): CHW Las Haciendas LLC  
General Partner Type: Nonprofit  
Parent Company(ies): Community HousingWorks  
Developer: Community HousingWorks  
Investor/Consultant: California Housing Partnership Corporation  
Management Agent(s): ConAM Management Corporation

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 2  
Total # of Units: 77  
No. & % of Tax Credit Units: 76 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: None

**Information**

Set-Aside: N/A  
Housing Type: Large Family  
Geographic Area: Inland Empire Region  
TCAC Project Analyst: Nick White

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 24	30%
At or Below 50% AMI: 8	10%
At or Below 60% AMI: 44	57%

**Unit Mix**

15 1-Bedroom Units
39 2-Bedroom Units
23 3-Bedroom Units
77 Total Units

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 1 Bedroom	30%	\$424
6 1 Bedroom	50%	\$706
4 1 Bedroom	60%	\$847
13 2 Bedrooms	30%	\$508
2 2 Bedrooms	50%	\$847
22 2 Bedrooms	60%	\$1,017
1 2 Bedrooms	60%	\$1,016
6 3 Bedrooms	30%	\$587
17 3 Bedrooms	60%	\$1,175
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$5,263,380
Construction Costs	\$20,356,387
Rehabilitation Costs	\$0
Construction Contingency	\$1,963,811
Relocation	\$0
Architectural/Engineering	\$1,272,000
Const. Interest, Perm. Financing	\$2,034,342
Legal Fees	\$113,618
Reserves	\$188,920
Other Costs	\$2,915,217
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$36,307,675</b>

## Residential

Construction Cost Per Square Foot:	\$281
Per Unit Cost:	\$471,528
True Cash Per Unit Cost*:	\$467,905

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo	\$23,339,279	CCRC	\$3,825,000
City of Temecula AHF Loan	\$8,910,698	City of Temecula AHF Loan	\$8,910,698
City of Temecula-Impact Fee Loan	\$718,445	City of Temecula-Impact Fee Loan	\$718,445
City of Temecula In Lieu Fee	\$500,857	City of Temecula In Lieu Fee	\$500,857
Costs Deferred Until Conversion	\$508,719	Deferred Developer Fee	\$279,000
Deferred Developer Fee	\$279,000	Tax Credit Equity	\$22,073,675
Tax Credit Equity	\$2,050,677	<b>TOTAL</b>	<b>\$36,307,675</b>

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

## Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,777,777
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,777
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee in Project Cost:	\$2,200,000
Approved Developer Fee in Eligible Basis:	\$1,400,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.88295

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.

## Tie-Breaker Information

First:	<b>Large Family</b>
Final:	<b>60.961%</b>

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

## Local Reviewing Agency

The Local Reviewing Agency, City of Temecula Community Development, 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¾ mile of public park or community center open to general public	2	2	2
Within 1 mile of a weekly farmers' market operating at least 5 months/year	1	1	1
Within 1 mile of medical clinic or hospital	2	2	2
In-unit high speed internet service	2	2	2
Highest or High Resources Area	8	8	8
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Los Lirios Apartments, located at 113, 119, and 121 South Soto Street in Los Angeles, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$5,200,000 in total state tax credits to finance the new construction of 63 units of housing serving large families with rents affordable to households earning 30-70% of area median income (AMI). The project will be developed by East LA Community Corporation and will be located in Senate District 24 and Assembly District 53.

Los Lirios Apartments' financing includes state funding from the TOD program of HCD.

**Project Number** CA-21-002

**Project Name** Los Lirios Apartments  
**Site Address:** 113, 119, and 121 S. Soto Street  
Los Angeles, CA 90033 County: Los Angeles  
**Census Tract:** 2044.200

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,500,000	\$5,200,000
Recommended:	\$2,500,000	\$5,200,000

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

**Applicant Information**

**Applicant:** East LA Community Corporation  
**Contact:** Jacqueline Monterrosas  
**Address:** 2917 E. 1st Street, Suite 101  
Los Angeles, CA 90033  
**Phone:** 323-604-1986  
**Email:** jmonterrosas@elacc.org

**General Partner(s) / Principal Owner(s):** East LA Community Corporation  
BRIDGE Housing Corporation  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** East LA Community Corporation  
BRIDGE Housing Corporation  
**Developer:** East LA Community Corporation  
**Investor/Consultant:** BRIDGE Housing Corporation  
**Management Agent(s):** John Stewart Company

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 1  
**Total # of Units:** 64  
**No. & % of Tax Credit Units:** 63 100%  
**Federal Set-Aside Elected:** 40%/60% Average Income  
**Federal Subsidy:** HOME

**Information**

Set-Aside: N/A  
Housing Type: Large Family  
Geographic Area: City of Los Angeles  
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: 20	31%
At or Below 50% AMI: 13	21%
At or Below 60% AMI: 23	37%
At or Below 70% AMI: 7	11%

**Unit Mix**

13 SRO/Studio Units
18 1-Bedroom Units
17 2-Bedroom Units
16 3-BedroomUnits
64 Total Units

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
10 SRO/Studio	30%	\$591
2 SRO/Studio	50%	\$986
1 SRO/Studio	60%	\$1,183
6 1 Bedroom	30%	\$633
3 1 Bedroom	50%	\$1,056
6 1 Bedroom	60%	\$1,267
3 1 Bedroom	70%	\$1,267
2 2 Bedrooms	30%	\$760
3 2 Bedrooms	50%	\$1,267
9 2 Bedrooms	60%	\$1,521
2 2 Bedrooms	70%	\$1,521
2 3 Bedrooms	30%	\$878
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,150,673
Construction Costs	\$31,547,932
Rehabilitation Costs	\$0
Construction Contingency	\$1,869,457
Relocation	\$0
Architectural/Engineering	\$1,807,911
Const. Interest, Perm. Financing	\$3,207,576
Legal Fees	\$139,740
Reserves	\$485,858
Other Costs	\$2,228,664
Developer Fee	\$2,200,000
Commercial Costs	\$2,556,689
<b>Total</b>	<b>\$48,194,500</b>

**Residential**

Construction Cost Per Square Foot:	\$418
Per Unit Cost:	\$710,740
True Cash Per Unit Cost*:	\$710,740

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
JP Morgan Chase Bank, NA	\$37,789,997	JP Morgan Chase Bank, NA	\$3,812,000
HCIDLA Managed Pipeline - HOME	\$4,620,000	HCIDLA Managed Pipeline - HOME	\$5,775,000
Prop HHH (HCIDLA)	\$1,600,000	Prop HHH (HCIDLA)	\$2,000,000
Deferred Costs	\$1,683,503	Transit Oriented Development	\$10,000,000
Tax Credit Equity	\$2,501,000	Tax Credit Equity	\$26,607,500
		<b>TOTAL</b>	<b>\$48,194,500</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$27,777,777
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,777
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$5,200,000
Approved Developer Fee in Project Cost:	\$2,200,000
Approved Developer Fee in Eligible Basis:	\$2,049,528
Investor/Consultant:	BRIDGE Housing Corporation
Federal Tax Credit Factor:	\$0.89790

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

**Tie-Breaker Information**

Initial:	<b>Letter of Support</b>
First:	<b>Large Family</b>
Final:	<b>57.677%</b>

**Significant Information / Additional Conditions**

The cost per unit is approximately \$710,740. the applicant noted the project is 5 stories of housing over subterranean parking which combined with prevailing wages contributes to the cost per unit.

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

**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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/4 mile of a public elementary school	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Chukchansi LIHTC #1, located west of the intersection of High School Road and Indian Springs Road in Oakhurst, requested and is being recommended for a reservation of \$818,546 in annual federal tax credits and \$2,728,487 in total state tax credits to finance the new construction of 17 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 Picayune Rancheria of the Chukchansi Indians and will be located in Senate District 8 and Assembly District 5.

The project will be receiving rental assistance in the form of NAHASDA Rental Subsidy.

**Project Number** CA-21-004

**Project Name** Chukchansi LIHTC #1

Site Address: West of the intersection of High School Road and Indian Springs Road

Oakhurst, CA 93644 County: Madera

Census Tract: 1.040

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$818,546	\$2,728,487
Recommended:	\$818,546	\$2,728,487

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

**Applicant Information**

Applicant: Chukchansi LIHTC #1 Limited Partnership

Contact: Claudia Gonzales

Address: 49260 Chapel Hill Drive  
Oakhurst, CA 93644

Phone: 559-678-5000

Email: council@chukchansi-nsn.gov

General Partner(s) / Principal Owner(s): Picayune Rancheria of the Chukchansi Indians  
Travois, Inc.

General Partner Type: Nonprofit

Parent Company(ies): Picayune Rancheria of the Chukchansi Indians  
Travois, Inc.

Developer: Picayune Rancheria of the Chukchansi Indians

Investor/Consultant: RBC Capital Markets

Management Agent(s): Picayune Rancheria of the Chukchansi Indians  
Barker Management, Inc.

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 17  
 Total # of Units: 17  
 No. & % of Tax Credit Units: 17 100%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: NAHASDA

**Information**

Set-Aside: Rural (Native American apportionment)  
 Housing Type: Large Family  
 Geographic Area: N/A  
 TCAC Project Analyst: Ruben Barcelo

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 4	24%
At or Below 50% AMI (Rural): 7	41%
At or Below 60% AMI: 6	35%

**Unit Mix**

13 3-Bedroom Units
4 4-Bedroom Units
17 Total Units

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 3 Bedrooms	30%	\$505
7 3 Bedrooms	50%	\$680
4 3 Bedrooms	60%	\$780
2 4 Bedrooms	30%	\$581
2 4 Bedrooms	60%	\$931

**Project Cost Summary at Application**

Land and Acquisition	\$0
Construction Costs	\$8,896,979
Rehabilitation Costs	\$0
Construction Contingency	\$293,917
Relocation	\$0
Architectural/Engineering	\$448,613
Const. Interest, Perm. Financing	\$93,864
Legal Fees	\$61,500
Reserves	\$398,222
Other Costs	\$363,511
Developer Fee	\$900,000
Commercial Costs	\$0
<b>Total</b>	<b>\$11,456,606</b>

**Residential**

Construction Cost Per Square Foot:	\$280
Per Unit Cost:	\$673,918
True Cash Per Unit Cost*:	\$673,918

**Construction Financing**

Source	Amount
Tribal Loan **	\$2,725,448
Tax Credit Equity	\$8,731,158

**Permanent Financing**

Source	Amount
Tribal Loan **	\$2,725,448
Tax Credit Equity	\$8,731,158
<b>TOTAL</b>	<b>\$11,456,606</b>

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

\*\* Picayune Rancheria of the Chukchansi Indians

**Determination of Credit Amount(s)**

Requested Eligible Basis (Rehabilitation):	\$9,094,955
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$9,094,955
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$818,546
Total State Credit:	\$2,728,487
Approved Developer Fee (in Project Cost & Eligible Basis):	\$900,000
Investor/Consultant:	RBC Capital Markets
Federal Tax Credit Factor:	\$0.80000
State Tax Credit Factor:	\$0.80000

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.

**Tie-Breaker Information**

First:	<b>Large Family</b>
Final:	<b>48.182%</b>

**Significant Information / Additional Conditions**

The estimated cost of the project is \$673,000 per unit. The applicant noted the cost is due to the escalating prices of construction materials, a requirement to pay prevailing wages, significant infrastructure and impact fee costs, and the larger size of each single-family housing unit.

The tribal applicant requested and was granted a waiver of the requirement to have a unit dedicated to a manager. The applicant commits to providing 24-hour onsite manager services through the tribe's existing Housing Department office located within 1/2 mile of the project.

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

**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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>N/A</b>
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 30 hrs/yr instruction	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
Eventual Tenant Ownership	1	1	1
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>94</b>

\*The Site Amenities point category was not scored pursuant to TCAC Regulations Section 10325(c)(5)(A).

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

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

QHA Homes III, located on the Fort Yuma Reservation near Winterhaven at the addresses listed below, requested and is being recommended for a reservation of \$782,855 in annual federal tax credits and \$2,302,850 in total state tax credits to finance the acquisition and rehabilitation of 26 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 Quechan Housing Authority and is located in Senate District 40 and Assembly District 56.

The project will be receiving rental assistance in the form of NAHASDA.

**Project Number** CA-21-005

**Project Name** QHA Homes III

Site Addresses: Site 1: 598 and 602 Ironwood Drive  
Site 2: 611, 612, 615, 616, 619, 620, 623, 624, 627, 628, 635, 636, 639, 640, 643, 644, 645, 646, 649, 650 and 654 Ironwood Drive

Site 3: 661 Ironwood Drive  
Site 4: 673 Ironwood Drive  
Site 5: 680 Ironwood Drive

Winterhaven, CA 92283 County: Imperial

Census Tract: 9400.000

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$782,855	\$2,302,850
Recommended:	\$782,855	\$2,302,850

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

**Applicant Information**

Applicant: QHA Homes III Limited Partnership  
Contact: Andreana Jackson  
Address: 1860 Sapphire Lane  
Winterhaven, CA 92283  
Phone: 760-572-0243  
Email: ajackson@quechanhousing.org

General Partner(s) / Principal Owner(s): Quechan Housing Authority  
General Partner Type: Nonprofit  
Parent Company(ies): Quechan Housing Authority  
Developer: Quechan Housing Authority  
Investor/Consultant: RBC Capital Markets  
Management Agent(s): Quechan Housing Authority  
Barker Management Company

**Project Information**

Construction Type: Acquisition & Rehabilitation  
 Total # Residential Buildings: 26  
 Total # of Units: 26  
 No. & % of Tax Credit Units: 26 100%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: NAHASDA

**Information**

Set-Aside: Rural (Native American apportionment)  
 Housing Type: Large Family  
 Geographic Area: N/A  
 TCAC Project Analyst: Ruben Barcelo

**55-Year Use / Affordability**

<b>Aggregate Targeting Number of Units</b>	<b>Percentage of Affordable Units</b>
At or Below 30% AMI: 6	23%
At or Below 50% AMI (Rural): 12	46%
At or Below 60% AMI: 8	31%

**Unit Mix**

19 3-Bedroom Units
7 4-Bedroom Units
<b>26 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2020 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
3 3 Bedrooms	30%	\$476
10 3 Bedrooms	50%	\$476
6 3 Bedrooms	60%	\$476
3 4 Bedrooms	30%	\$526
2 4 Bedrooms	50%	\$526
2 4 Bedrooms	60%	\$526

**Project Cost Summary at Application**

Land and Acquisition	\$2,300,000
Construction Costs	\$0
Rehabilitation Costs	\$5,241,839
Construction Contingency	\$820,448
Relocation	\$0
Architectural/Engineering	\$303,600
Const. Interest, Perm. Financing	\$32,370
Legal Fees	\$0
Reserves	\$406,023
Other Costs	\$374,288
Developer Fee	\$1,000,000
Commercial Costs	\$0
<b>Total</b>	<b>\$10,478,568</b>

**Residential**

Construction Cost Per Square Foot:	\$139
Per Unit Cost:	\$403,022
True Cash Per Unit Cost*:	\$403,022

**Construction Financing**

Source	Amount
Quechan Housing Authority Loan	\$2,373,448
State Tax Credit Equity	\$1,842,280
Tax Credit Equity	\$6,262,840

**Permanent Financing**

Source	Amount
Quechan Housing Authority Loan	\$2,373,448
Tax Credit Equity	\$8,105,120
<b>TOTAL</b>	<b>\$10,478,568</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis (Rehabilitation):	\$7,676,167
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$2,300,000
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$7,676,167
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$2,300,000
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$690,855
Maximum Annual Federal Credit, Acquisition:	\$92,000
Total Maximum Annual Federal Credit:	\$782,855
Total State Credit:	\$2,302,850
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,000,000
Investor/Consultant:	RBC Capital Markets
Federal Tax Credit Factor:	\$0.80000
State Tax Credit Factor:	\$0.80000

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.

**Tie-Breaker Information**

First:	<b>Large Family</b>
Final:	<b>26.652%</b>

**Significant Information / Additional Conditions:**

This project involves the substantial rehabilitation of 26 buildings located on 5 scattered sites.

The tribal applicant requested and was granted a waiver to allow the project to share the onsite property manager, community building and play area with QHA Homes II (CA-19-009). Prior to the start of construction, all necessary agreements shall be in place to ensure that QHA Homes III has sufficient property management and access to the required community spaces. The Joint Use Agreement shall be provided in the placed-in-service application submission.

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

**Local Reviewing Agency**

The Local Reviewing Agency, the Quechan Indian Tribe, 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities*</b>	<b>15</b>	<b>15</b>	<b>N/A</b>
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>94</b>

**\*The Site Amenities point category was not scored pursuant to TCAC Regulations Section 10325(c)(5)(A).**

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

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Grand Ave Villa Apartments, located at 3740 May Street in Sacramento, requested and is being recommended for a reservation of \$728,692 in annual federal tax credits to finance the acquisition and rehabilitation of 18 units of housing serving tenants with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Community Preservation Partners, LLC and is located in Senate District 6 and Assembly District 7.

Grand Ave Villa Apartments is currently at-risk, but is being recommended for a reservation of tax credits that will be preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-21-008

**Project Name** Grand Ave Villa Apartments  
Site Address: 3740 May Street  
Sacramento, CA 95838 County: Sacramento  
Census Tract: 65.000

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$728,692	\$0
Recommended:	\$728,692	\$0

**Applicant Information**

Applicant: GAV Community Partners, LP  
Contact: Anand Kannan  
Address: 17782 Sky Park Circle  
Irvine, CA 92614  
Phone: 949.236.8278  
Email: akannan@cpp-housing.com

General Partner(s) / Principal Owner(s): WNC - GAV GP, LLC  
FFAH V Grand Avenue Villa, LLC  
General Partner Type: Joint Venture  
Parent Company(ies): WNC Development Partners, LLC  
Foundation For Affordable Housing V, Inc.  
Developer: Community Preservation Partners, LLC  
Investor/Consultant: WNC & Associates  
Management Agent(s): Arrowhead Housing, Inc.

**Project Information**

Construction Type: Acquisition & Rehabilitation  
 Total # Residential Buildings: 5  
 Total # of Units: 18  
 No. & % of Tax Credit Units: 17 100%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: HUD Section 8 Vouchers (18 units - 100%)

**Information**

Set-Aside: At-Risk  
 Housing Type: At-Risk  
 Geographic Area: Capital Region  
 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: 4	24%
At or Below 50% AMI: 7	41%
At or Below 60% AMI: 6	35%

**Unit Mix**

4 1-Bedroom Units
8 2-Bedroom Units
6 3-Bedroom Units
<u>18 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 1 Bedroom	30%	\$486
1 2 Bedrooms	30%	\$582
1 3 Bedrooms	30%	\$673
4 2 Bedrooms	50%	\$971
3 3 Bedrooms	50%	\$1,122
1 1 Bedroom	60%	\$972
3 2 Bedrooms	60%	\$1,165
2 3 Bedrooms	60%	\$1,347
1 1 Bedroom	Manager's Unit	\$927

**Project Cost Summary at Application**

Land and Acquisition	\$2,750,000
Construction Costs	\$0
Rehabilitation Costs	\$3,882,780
Construction Contingency	\$463,278
Relocation	\$13,500
Architectural/Engineering	\$222,000
Const. Interest, Perm. Financing	\$573,639
Legal Fees	\$165,000
Reserves	\$156,000
Other Costs	\$214,693
Developer Fee	\$935,447
Commercial Costs	\$0
<b>Total</b>	<b>\$9,376,337</b>

**Residential**

Construction Cost Per Square Foot:	\$202
Per Unit Cost:	\$520,908
True Cash Per Unit Cost*:	\$506,762

**Construction Financing**

Source	Amount
Banner Bank	\$4,600,880
NOI	\$316,230
Deferred Developer Fee	\$932,358
Tax Credit Equity	\$3,526,869

**Permanent Financing**

Source	Amount
Banner Bank	\$2,393,000
NOI	\$316,230
Deferred Developer Fee	\$254,618
Tax Credit Equity	\$6,412,489
<b>TOTAL</b>	<b>\$9,376,337</b>

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$6,228,760
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$8,097,388
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$728,692
Approved Developer Fee (in Project Cost & Eligible Basis):	\$935,447
Investor/Consultant:	WNC & Associates
Federal Tax Credit Factor:	\$0.88000

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.

**Tie-Breaker Information**

First:	<b>At-Risk</b>
Final:	<b>21.460%</b>

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

**Resyndication and Resyndication Transfer Event:** None

**Local Reviewing Agency**

The Local Reviewing Agency, the Sacramento Housing and Redevelopment Agency, has completed a site review of this project and 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¼ mile of transit, service every 30 minutes in rush hours	6	6	6
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within 1 mile of a public high school	3	3	3
In-unit high speed internet service	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 42 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Fair Haven Commons, located at 1695 Sunset Avenue in Fairfield, requested and is being recommended for a reservation of \$2,021,714 in annual federal tax credits to finance the new construction of 71 units of housing serving special needs tenants with rents affordable to households earning 20-60% AMI of area median income (AMI). The project will be developed by MidPen Housing Corporation and will be located in Senate District 3 and Assembly District 11.

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 of HCD.

**Project Number** CA-21-010

**Project Name** Fair Haven Commons  
Site Address: 1695 Sunset Avenue  
Fairfield CA, 94533 County: Solano  
Census Tract: 2526.080

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,021,714	\$0
Recommended:	\$2,021,714	\$0

**Applicant Information**

Applicant: MidPen Housing Corporation  
Contact: Jan M. Lindenthal  
Address: 303 Vintage Park Drive, Suite 250  
Foster City CA 94404  
Phone: 650-356-2900  
Email: jlindenthal@midpen-housing.org

General Partner(s) / Principal Owner(s): MP 1700 Santa Monica LLC  
General Partner Type: Nonprofit  
Parent Company(ies): MidPen Housing Corporation  
Developer: MidPen Housing Corporation  
Investor/Consultant: Affordable Housing Financial Consultant  
Management Agent(s): MidPen Property Management Corporation

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 8  
Total # of Units: 72  
No. & % of Tax Credit Units: 71 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HUD Section 8 Project-based Vouchers (51 units - 72%)

**Information**

Set-Aside: Nonprofit (homeless assistance)  
 Housing Type: Special Needs  
 Type of Special Needs: Homeless/formerly homeless  
 Average Targeted Affordability of Special Needs/SRO Project Units: 39.30%  
 % of Special Need Units: 54.93 units 50.00%  
 Geographic Area: Northern Region  
 TCAC Project Analyst: Sopida Steinwert

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 20% AMI: 15	20%
At or Below 30% AMI: 21	25%
At or Below 40% AMI: 3	0%
At or Below 50% AMI: 18	25%

**Unit Mix**

6 SRO/Studio Units
30 1-Bedroom Units
30 2-Bedroom Units
6 3-BedroomUnits
<u>72 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 SRO/Studio	20%	\$324
9 1 Bedroom	20%	\$347
4 2 Bedrooms	20%	\$416
4 SRO/Studio	30%	\$486
9 1 Bedroom	30%	\$520
6 2 Bedrooms	30%	\$624
2 3 Bedrooms	30%	\$721
3 2 Bedrooms	40%	\$833
7 1 Bedroom	50%	\$867
8 2 Bedrooms	50%	\$1,041
3 3 Bedrooms	50%	\$1,202
5 1 Bedroom	60%	\$1,041
8 2 Bedrooms	60%	\$1,249
1 3 Bedrooms	60%	\$1,443
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,339,259
Construction Costs	\$23,551,923
Rehabilitation Costs	\$0
Construction Contingency	\$1,372,905
Relocation	\$0
Architectural/Engineering	\$1,079,312
Const. Interest, Perm. Financing	\$1,545,810
Legal Fees	\$129,758
Reserves	\$726,412
Other Costs	\$3,451,903
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$37,397,281</b>

**Residential**

Construction Cost Per Square Foot:	\$356
Per Unit Cost:	\$519,407
True Cash Per Unit Cost*:	\$464,226

**Construction Financing**

<u>Source</u>	<u>Amount</u>
Union Bank	\$22,386,581
Fairfield Housing Authority	\$2,200,000
Fairfield Housing Authority Land Donation	\$2,973,000
Impact Fee Waiver	\$1,000,000
Solano County WPC Grant	\$1,603,827
AHP	\$710,000
CAP Solano JPA Grant	\$872,482
General Partner Equity	\$100
Tax Credit Equity	\$1,718,457

**Permanent Financing**

<u>Source</u>	<u>Amount</u>
Union Bank	\$6,219,000
Fairfield Housing Authority	\$2,200,000
Fairfield Housing Authority Land Donatior	\$2,973,000
Impact Fee Waiver	\$1,000,000
Solano County WPC Grant	\$1,603,827
HCD NPLH - Non-Competitive	\$1,711,136
HCD NPLH - Competitive	\$3,026,167
AHP	\$710,000
CAP Solano JPA Grant	\$872,482
General Partner Equity	\$100
Tax Credit Equity	\$17,081,569
<b>TOTAL</b>	<b>\$37,397,281</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$17,279,607
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$22,463,489
Applicable Rate:	9.00%
Maximum Annual Federal Credit:	\$2,021,714
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Affordable Housing Financial Consultant
Federal Tax Credit Factor:	\$0.84491

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.

**Tie-Breaker Information**

First:	<b>Special Needs</b>
Final:	<b>85.441%</b>

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

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

**Local Reviewing Agency**

The Local Reviewing Agency, the City of Fairfield, 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within 1/3 mile of transit, service every 30 minutes in rush hours	6	6	6
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
<b>SPECIAL NEEDS HOUSING TYPE</b>			
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Monte Vista Manor, located at 901 West Tulare Road in Lindsay, requested and is being recommended for a reservation of \$616,522 in annual federal tax credits and \$2,047,229 in total state tax credits to finance the acquisition and rehabilitation of 43 units of housing serving tenants with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Micon Real Estate, Inc. and is located in Senate District 14 and Assembly District 26.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will be preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of USDA RHS 521 Rental Assistance.

**Project Number** CA-21-011

**Project Name** Monte Vista Manor  
Site Address: 901 West Tulare Road  
Lindsay, CA 93247 County: Tulare  
Census Tract: 26.010

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$616,522	\$2,047,229
Recommended:	\$616,522	\$2,047,229

\* The applicant made an election not to sell (Certificate) any portion of the state credits.

**Applicant Information**

Applicant: Lindsay Monte Vista, LP  
Contact: Christina Alley  
Address: 3351 M Street, Suite 100  
Merced, CA 95348  
Phone: (209) 388-0782  
Email: chris@centralvalleycoalition.com

General Partner(s) / Principal Owner(s): Central Valley Coalition for Affordable Housing  
General Partner Type: Nonprofit  
Parent Company(ies): Central Valley Coalition for Affordable Housing  
Developer: Micon Real Estate, Inc.  
Investor/Consultant: Boston Financial  
Management Agent(s): Buckingham Property Management

**Project Information**

Construction Type: Acquisition & Rehabilitation  
 Total # Residential Buildings: 6  
 Total # of Units: 44  
 No. & % of Tax Credit Units: 43 100%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: USDA 538 / USDA 515 / USDA 521 Rental Assistance (43 units - 100%)

**Information**

Set-Aside: Rural  
 Housing Type: At-Risk  
 Geographic Area: N/A  
 TCAC Project Analyst: Sarah Gullikson

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of</u>	<u>Percentage of</u>
	<u>Units</u>	<u>Affordable Units</u>
At or Below 30% AMI:	5	10%
At or Below 45% AMI:	5	10%
At or Below 50% AMI (Rural):	22	50%
At or Below 55% AMI (Rural):	5	10%
At or Below 60% AMI:	6	10%

**Unit Mix**

12 1-Bedroom Units
28 2-Bedroom Units
4 3-BedroomUnits
<u>44 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of</u>	<u>Proposed Rent</u>
	<u>Area Median Income</u>	<u>(including utilities)</u>
1 1 Bedroom	30%	\$393
1 1 Bedroom	45%	\$590
6 1 Bedroom	50%	\$656
1 1 Bedroom	55%	\$721
3 1 Bedroom	60%	\$787
3 2 Bedrooms	30%	\$472
3 2 Bedrooms	45%	\$708
14 2 Bedrooms	50%	\$787
4 2 Bedrooms	55%	\$866
3 2 Bedrooms	60%	\$945
1 3 Bedrooms	30%	\$545
1 3 Bedrooms	45%	\$817
2 3 Bedrooms	50%	\$908
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,500,000
Construction Costs	\$0
Rehabilitation Costs	\$3,367,719
Construction Contingency	\$430,372
Relocation	\$500,000
Architectural/Engineering	\$187,000
Const. Interest, Perm. Financing	\$399,500
Legal Fees	\$318,000
Reserves	\$527,121
Other Costs	\$257,291
Developer Fee	\$869,146
Commercial Costs	\$0
<b>Total</b>	<b>\$9,356,149</b>

**Residential**

Construction Cost Per Square Foot:	\$91
Per Unit Cost:	\$212,640
True Cash Per Unit Cost*:	\$212,640

**Construction Financing**

Source	Amount
Bonneville	\$2,747,951
Bonneville	\$407,537
USDA Section 515 (Assumed)	\$1,073,060
USDA Section 515 Incentive	\$1,387,011
Deferred Operating Reserves	\$94,090
Deferred Reserves & Accounts	\$311,709
Deferred Developer Fee	\$869,146
Tax Credit Equity	\$2,465,645

**Permanent Financing**

Source	Amount
Bonneville Section 538	\$407,537
USDA Section 515 (Assumed)	\$1,073,060
USDA Section 515 Incentive	\$1,387,011
Tax Credit Equity	\$6,488,541
<b>TOTAL</b>	<b>\$9,356,149</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis (Rehabilitation):	\$5,804,269
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$2,353,445
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$5,804,269
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$2,353,445
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$522,384
Maximum Annual Federal Credit, Acquisition:	\$94,138
Total Maximum Annual Federal Credit:	\$616,522
Total State Credit:	\$2,047,229
Approved Developer Fee (in Project Cost & Eligible Basis):	\$869,146
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.82000
State Tax Credit Factor:	\$0.70000

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.

**Tie-Breaker Information**

First:	<b>At-Risk</b>
Final:	<b>48.336%</b>

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

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

**Local Reviewing Agency**

The Local Reviewing Agency, the City of Lindsay, has completed a site review of this project and 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit (van or dial-a-ride service for rural set-aside)	4	4	4
Within 1 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	3	3	3
Within 2 miles of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Union Bank Apartments, located at 4038 44TH Street/4390 University Avenue in San Diego, requested and is being recommended for a reservation of \$1,390,587 in annual federal tax credits in total state tax credits to finance the new construction of 59 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 Wakeland Housing and Development and will be located in Senate District 40 and Assembly District 80.

**Project Number** CA-21-015

**Project Name** Union Bank Apartments  
**Site Address:** 4038 44th St./4390 University Ave.  
San Diego CA, 92105 County: San Diego  
**Census Tract:** 23.020

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,390,587	\$0
Recommended:	\$1,390,587	\$0

**Applicant Information**

**Applicant:** Wakeland Price UB LP  
**Contact:** Kenneth L. Sauder  
**Address:** 1230 Columbia Street, Suite 950  
San Diego, CA 92101  
**Phone:** 619.235.2296  
**Email:** ksauder@wakelandhdc.com

**General Partner(s) / Principal Owner(s):** Wakeland Price UB LLC  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** Wakeland Housing and Development Corporation  
**Developer:** Wakeland Housing and Development Corporation  
**Investor/Consultant:** California Housing Partnership  
**Management Agent(s):** ConAm

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 1  
**Total # of Units:** 60  
**No. & % of Tax Credit Units:** 59 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** None

**Information**

**Set-Aside:** N/A  
**Housing Type:** Large Family  
**Geographic Area:** San Diego County  
**TCAC Project Analyst:** Nick White

**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 45% AMI:	12	20%
At or Below 50% AMI:	24	40%
At or Below 60% AMI:	17	28%

**Unit Mix**

45 2-Bedroom Units
15 3-Bedroom Units
60 Total Units

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
4 2 Bedrooms	30%	\$780
2 3 Bedrooms	30%	\$901
9 2 Bedrooms	45%	\$1,170
3 3 Bedrooms	45%	\$1,351
18 2 Bedrooms	50%	\$1,300
6 3 Bedrooms	50%	\$1,501
13 2 Bedrooms	60%	\$1,560
4 3 Bedrooms	60%	\$1,802
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,236,748
Construction Costs	\$19,939,653
Construction Contingency	\$1,279,570
Relocation	\$0
Architectural/Engineering	\$1,276,108
Const. Interest, Perm. Financing	\$1,577,592
Legal Fees	\$85,000
Reserves	\$201,044
Other Costs	\$2,605,437
Developer Fee	\$1,400,000
Commercial Costs	\$0
<b>Total</b>	<b>\$31,601,152</b>

**Residential**

Construction Cost Per Square Foot:	\$258
Per Unit Cost:	\$526,686
True Cash Per Unit Cost*:	\$526,686

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
US Bank Construction	\$16,532,728	US Bank Permanent	\$5,746,000
Price Philanthropies	\$10,230,000	Price Philanthropies	\$10,230,000
County of San Diego IHTF	\$2,700,000	County of San Diego IHTF	\$3,000,000
City of San Diego RTCIP	\$142,072	City of San Diego RTCIP	\$142,072
Costs Deferred Until Conversion	\$901,044	Tax Credit Equity	\$12,483,080
Tax Credit Equity	\$1,095,308	<b>TOTAL</b>	<b>\$31,601,152</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$11,885,363
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$15,450,972
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,390,587
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,400,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.89768

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.

**Tie-Breaker Information**

First:	<b>Large Family</b>
Final:	<b>65.658%</b>

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

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

**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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¼ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ½ mile of public school	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Esperanza Commons, located at 241 Tuft Street in Mendota, requested and is being recommended for a reservation of \$1,356,589 in annual federal tax credits to finance the rehabilitation of 59 units of housing serving large families with rents affordable to households earning 30-80% of area median income (AMI). The project will be developed by Housing Authority of Fresno County and is located in Senate District 12 and Assembly District 31.

The project will be receiving rental assistance in the form of USDA RHS 521 Rental Assistance.

**Project Number** CA-21-016

**Project Name** Esperanza Commons  
**Site Address:** 241 Tuft Street  
Mendota, CA 93640 County: Fresno  
**Census Tract:** 83.020

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,356,589	\$0
Recommended:	\$1,356,589	\$0

**Applicant Information**

**Applicant:** Housing Authority of Fresno County  
**Contact:** Preston Prince  
**Address:** 1331 Fulton Street  
Fresno, CA 93721  
**Phone:** 559-443-8492  
**Email:** mduarte@fresnohousing.org

**General Partner(s) / Principal Owner(s):** Housing Authority of Fresno County  
Silvercrest, Inc.

**General Partner Type:** Nonprofit

**Parent Company(ies):** Housing Authority of Fresno County  
Housing Authority of Fresno County

**Developer:** Housing Authority of Fresno County, California

**Investor/Consultant:** California Housing Partnership Corporation

**Management Agent(s):** Fresno Housing Authority

**Project Information**

**Construction Type:** Rehabilitation-Only

**Total # Residential Buildings:** 16

**Total # of Units:** 60

**No. & % of Tax Credit Units:** 59 100%

**Federal Set-Aside Elected:** 40%/60% Average Income

**Federal Subsidy:** USDA 514 and 521 Rental Assistance (21 units - 35%)

**Information**

Set-Aside: Rural  
 Housing Type: Large Family  
 Geographic Area: N/A  
 TCAC Project Analyst: Sarah Gullikson

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 16	25%
At or Below 40% AMI: 12	20%
At or Below 50% AMI (Rural): 6	10%

**Unit Mix**

8 1-Bedroom Units
22 2-Bedroom Units
22 3-Bedroom Units
8 4-Bedroom Units
<u>60 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 1 Bedroom	30%	\$393
5 2 Bedrooms	30%	\$472
6 3 Bedrooms	30%	\$545
2 4 Bedrooms	30%	\$608
3 1 Bedroom	40%	\$525
3 2 Bedrooms	40%	\$630
4 3 Bedrooms	40%	\$727
2 4 Bedrooms	40%	\$811
3 2 Bedrooms	50%	\$787
2 3 Bedrooms	50%	\$908
1 4 Bedrooms	50%	\$1,013
1 1 Bedroom	60%	\$787
8 2 Bedrooms	60%	\$869
3 3 Bedrooms	60%	\$1,082
2 4 Bedrooms	60%	\$1,216
1 1 Bedroom	70%	\$819
1 2 Bedrooms	70%	\$869
2 3 Bedrooms	70%	\$1,082
2 2 Bedrooms	80%	\$869
4 3 Bedrooms	80%	\$1,082
1 4 Bedrooms	80%	\$1,259
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$4,815,000
Construction Costs	\$0
Rehabilitation Costs	\$7,500,000
Construction Contingency	\$936,610
Relocation	\$900,000
Architectural/Engineering	\$385,000
Const. Interest, Perm. Financing	\$586,923
Legal Fees	\$280,000
Reserves	\$734,373
Other Costs	\$316,964
Developer Fee	\$1,556,210
Commercial Costs	\$0
<b>Total</b>	<b>\$18,011,080</b>

**Residential**

Construction Cost Per Square Foot:	\$131
Per Unit Cost:	\$300,185
True Cash Per Unit Cost*:	\$229,032

**Construction Financing**

Source	Amount
US Bank Construction Loan	\$9,571,622
USDA 514 Recast Loan	\$530,865
Fresno Housing Authority Loan	\$701,224
Donated Land and Building	\$4,269,135
Costs Deferred Until Conversion	\$1,805,248
Tax Credit Equity	\$1,132,986

**Permanent Financing**

Source	Amount
US Bank Permanent Loan	\$1,000,000
USDA 514 Recast Loan	\$530,865
Fresno Housing Authority Loan	\$701,224
Donated Land and Building	\$4,269,135
Tax Credit Equity	\$11,509,856
<b>TOTAL</b>	<b>\$18,011,080</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$11,594,780
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$15,073,214
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,356,589
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,556,210
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.84844

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.

**Tie-Breaker Information**

First: **Large Family**  
Final: **52.760%**

**Significant Information / Additional Conditions**

This project will share community facilities with Mendota RAD, also managed by the Housing Authority of Fresno County. Prior to the start of construction, all necessary agreements shall be in place to ensure that Esperanza Commons has sufficient access to the required community spaces. The Joint Use Agreement shall be provided in the placed in service submission.

**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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	4	4	4
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ¼ mile of a public elementary school (add 1 ½ mile for Rural set-aside)	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Lorena Plaza, located at 3401-3415 East 1st Street and 116-126 South Lorena Street in Los Angeles, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the new construction of 48 units of housing serving large families and special needs tenants with rents affordable to households earning 30-50% of area median income (AMI). The project will be developed by A Community of Friends and will be located in Senate District 24 and Assembly District 53.

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 IIG program of HCD and SNHP through CalHFA.

**Project Number** CA-21-024

**Project Name** Lorena Plaza  
Site Address: 3401-3415 East 1st Street and 116-126 South Lorena Street  
Los Angeles, CA 90063 County: Los Angeles  
Census Tract: 2039.000

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

**Applicant Information**

Applicant: Lorena Plaza, L.P.  
Contact: Dora Leong Gallo  
Address: 3701 Wilshire Boulevard, Suite 700  
Los Angeles, CA 90010  
Phone: (213) 480-0809  
Email: dgallo@acof.org

General Partner(s) / Principal Owner(s): Supportive Housing LLC  
General Partner Type: Nonprofit  
Parent Company(ies): A Community of Friends  
Developer: A Community of Friends  
Investor/Consultant: California Housing Partnership Corporation  
Management Agent(s): A Community of Friends

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 49  
No. & % of Tax Credit Units: 48 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: Section 8 Project-based Vouchers (32 units - 66.67%)

**Information**

Set-Aside: Nonprofit (homeless assistance)  
 Housing Type: Special Needs  
 Type of Special Needs: Homeless/Formerly Homeless & Persons with physical, mental, or developmental disabilities  
 Average Targeted Affordability of Special Needs/SRO Project Units: 36.25%  
 % of Special Need Units: 32 units 67.00%  
 Geographic Area: City of Los Angeles  
 TCAC Project Analyst: Sarah Gullikson

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 33	65%
At or Below 50% AMI: 15	30%

**Unit Mix**

3 SRO/Studio Units  
 18 1-Bedroom Units  
 20 2-Bedroom Units  
 8 3-Bedroom Units  


---

 49 Total Units

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 SRO/Studio	30%	\$591
18 1 Bedroom	30%	\$633
11 2 Bedrooms	30%	\$760
9 2 Bedrooms	50%	\$1,267
1 3 Bedrooms	30%	\$878
6 3 Bedrooms	50%	\$1,464
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$990,686
Construction Costs	\$20,936,182
Rehabilitation Costs	\$0
Construction Contingency	\$1,783,191
Relocation	\$0
Architectural/Engineering	\$970,277
Const. Interest, Perm. Financing	\$1,798,457
Legal Fees	\$224,400
Reserves	\$204,601
Other Costs	\$1,304,285
Developer Fee	\$2,200,000
Commercial Costs	\$3,741,419
<b>Total</b>	<b>\$34,153,498</b>

**Residential**

Construction Cost Per Square Foot:	\$372
Per Unit Cost:	\$615,267
True Cash Per Unit Cost*:	\$615,267

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citibank Construction	\$23,026,740	Citibank Conventional Permanent	\$4,065,000
HCIDLA - HHH	\$2,903,202	HCIDLA - HHH	\$2,903,202
LA County DMH- SNHP	\$1,200,000	LA County DMH- SNHP	\$1,200,000
HCD IIG	\$3,095,000	HCD IIG	\$3,095,000
Costs Deferred until Conversion	\$1,547,841	Tax Credit Equity	\$22,890,296
Tax Credit Equity	\$2,380,715	<b>TOTAL</b>	<b>\$34,153,498</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$21,367,522
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,779
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee in Project Cost:	\$2,200,000
Approved Developer Fee in Eligible Basis:	\$1,936,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.91561

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.

**Tie-Breaker Information**

First:	<b>Special Needs</b>
Final:	<b>46.897%</b>

**Significant Information / Additional Conditions:**

Development costs are roughly \$615,267 per unit. The factors affecting this cost include an abandoned oil well on site that will have to be re-capped to current standards as well as one level of semi-subterranean parking.

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

**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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¼ 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
Within 1 mile of a public high school	3	3	3
Special Needs project within ½ mile of facility serving tenant population	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>SPECIAL NEEDS HOUSING TYPE</b>			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 Second Round**

**June 16, 2021**

6th Street Grand, located at 112, 114, 121, 124, 128 and 132 South 6th Street in Montebello, requested \$2,140,815 in annual federal tax credits and \$7,136,049 in total state tax credits but is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$3,117,669 in total state tax credits (See "**Significant Information / Additional Conditions**" below) to finance the new construction of 62 units of housing serving special needs tenants and large families with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Cesar Chavez Foundation and will be located in Senate District 32 and Assembly District 58.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-21-026

**Project Name** 6th Street Grand  
Site Address: 112, 114, 121, 124, 128 and 132 South 6th Street  
Montebello, CA 90640 County: Los Angeles  
Census Tract: 5321.010

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,140,815	\$7,136,049
Recommended:	\$2,500,000	\$3,117,669

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

**Applicant Information**

Applicant: Vista del Monte Affordable Housing, Inc.  
Contact: Alfredo R. Izmajtovich  
Address: 316 W. 2nd Street Suite 600  
Los Angeles, CA 90012  
Phone: 213-362-0260  
Email: alfredo@chavezfoundation.org

General Partner(s) / Principal Owner(s): Vista del Monte Affordable Housing, Inc.  
General Partner Type: Nonprofit  
Parent Company(ies): Cesar Chavez Foundation  
Developer: Cesar Chavez Foundation  
Investor/Consultant: Boston Financial  
Management Agent(s): Hyder & Company

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 1  
 Total # of Units: 63  
 No. & % of Tax Credit Units: 62 100%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: HUD Section 8 Project-based Vouchers (31 Units - 50%)

**Information**

Set-Aside: Nonprofit (homeless assistance)  
 Housing Type: Special Needs and Large Family  
 Type of Special Needs: Homeless and Formerly Homeless  
 Average Targeted Affordability of Special Needs/SRO Project Units: 48.87%  
 % of Special Need Units: 31 units 50.00%  
 Geographic Area: Balance of Los Angeles County  
 TCAC Project Analyst: Ruben Barcelo

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 19	30%
At or Below 50% AMI: 12	15%
At or Below 60% AMI: 31	50%

**Unit Mix**

27 1-Bedroom Units
16 2-Bedroom Units
20 3-BedroomUnits
<u>63 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
13 1 Bedroom	30%	\$634
12 1 Bedroom	50%	\$634
2 1 Bedroom	60%	\$1,267
3 2 Bedrooms	30%	\$760
13 2 Bedrooms	60%	\$1,520
3 3 Bedrooms	30%	\$878
16 3 Bedrooms	60%	\$1,757
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$4,119,782
Construction Costs	\$25,238,652
Rehabilitation Costs	\$0
Construction Contingency	\$1,521,825
Relocation	\$110,600
Architectural/Engineering	\$917,654
Const. Interest, Perm. Financing	\$2,377,440
Legal Fees	\$292,805
Reserves	\$285,409
Other Costs	\$1,971,382
Developer Fee	\$2,000,000
Commercial Costs	\$0
<b>Total</b>	<b>\$38,835,549</b>

**Residential**

Construction Cost Per Square Foot:	\$469
Per Unit Cost:	\$616,437
True Cash Per Unit Cost*:	\$564,112

**Construction Financing**

Source	Amount
JPMorgan Chase Bank	\$28,437,135
City of Montebello Land Loan	\$3,280,000
City of Montebello Impact Fee Loan	\$265,000
Deferred Fees & Costs	\$1,880,086
Tax Credit Equity	\$4,973,328

**Permanent Financing**

Source	Amount
JPMorgan Chase Bank	\$8,407,426
LACDA / AHTF	\$2,000,000
City of Montebello Land Loan	\$3,280,000
City of Montebello Impact Fee Loan	\$265,000
Deferred Develop Fee	\$16,485
Tax Credit Equity	\$24,866,638
<b>TOTAL</b>	<b>\$38,835,549</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$23,786,830
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$23,786,830
Applicable Rate:	9.00%
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$3,117,669
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,000,000
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.89491
State Tax Credit Factor:	\$0.79992

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.

**Tie-Breaker Information**

First:	<b>Special Needs</b>
Final:	<b>29.843%</b>

**Significant Information / Additional Conditions**

The estimated cost of the project is \$564,000 per unit. Factors driving this cost include the escalating cost of construction materials in Los Angeles, a requirement to pay prevailing wages, a requirement to provide subterranean parking and elevators, and additional community space and unit furnishings required for a special needs project.

The application included a basis reduction but did not maximized basis related to federal credits. TCAC Regulation Section 10317(c) permits TCAC staff to revise an application’s federal and state credit request when basis is reduced for reasons other than permitted. The annual federal credit amount was adjusted to \$2,500,000, and reduced the total state credit to \$3,117,669.

The project is committed to providing the required service amenity hours at the project site, per TCAC Regulations Section 10325(c)(4)(B).

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

**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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
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
Within 1 mile of a public high school	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
<b>SPECIAL NEEDS HOUSING TYPE</b>			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

The Emerald, located at 27th Street West & West Avenue K12 in Lancaster, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$7,221,045 in total state tax credits to finance the new construction of 71 units of housing serving special needs tenants with rents affordable to households earning 30-50% of area median income (AMI). The project will be developed by LA Family Housing and will be located in Senate District 21 and Assembly District 36.

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 of HCD.

**Project Number** CA-21-027

**Project Name** The Emerald  
**Site Address:** 27th Street West & West Avenue K12  
Lancaster, CA 93536 County: Los Angeles  
**Census Tract:** 9010.110

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,500,000	\$7,221,045
Recommended:	\$2,500,000	\$7,221,045

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

**Applicant Information**

**Applicant:** The Emerald 2020, L.P.  
**Contact:** Stephanie Klasky Gamer  
**Address:** 7843 Lankershim Boulevard  
North Hollywood, CA 91605  
**Phone:** 818-430-5720  
**Email:** emendez@lafh.org

**General Partner(s) / Principal Owner(s):** The Emerald 2020 GP, LLC  
LA Family Housing  
**General Partner Type:** Nonprofit  
**Developer:** LA Family Housing  
**Investor/Consultant:** California Housing Partnership  
**Management Agent(s):** John Stewart Company

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 8  
 Total # of Units: 72  
 No. & % of Tax Credit Units: 71 100%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: HUD Section 8 Project-based Vouchers (35 Units - 50%)

**Information**

Set-Aside: Special Needs  
 Housing Type: Special Needs  
 Type of Special Needs: Homeless/Formerly Homeless & Persons with mental disabilities  
 Average Targeted Affordability of Special Needs/SRO Project Units: 37.32%  
 % of Special Need Units: 35 units 49.00%  
 Geographic Area: Balance of Los Angeles County  
 TCAC Project Analyst: Sarah Gullikson

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 35	45%

**Unit Mix**

6 1-Bedroom Units
44 2-Bedroom Units
22 3-BedroomUnits
<u>72 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 1 Bedroom	30%	\$633
21 2 Bedrooms	30%	\$760
8 3 Bedrooms	30%	\$878
5 2 Bedrooms	30%	\$760
5 3 Bedrooms	30%	\$878
17 2 Bedrooms	50%	\$1,267
9 3 Bedrooms	50%	\$1,464
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,856,763
Construction Costs	\$28,918,660
Rehabilitation Costs	\$0
Construction Contingency	\$3,396,434
Relocation	\$0
Architectural/Engineering	\$907,900
Const. Interest, Perm. Financing	\$2,871,081
Legal Fees	\$719,373
Reserves	\$1,148,484
Other Costs	\$2,048,738
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$45,067,433</b>

**Residential**

Construction Cost Per Square Foot:	\$355
Per Unit Cost:	\$625,937
True Cash Per Unit Cost*:	\$625,937

**Construction Financing**

Source	Amount
Bank of America	\$29,987,346
LACDA - NPLH	\$5,000,000
LACDA - AHTF	\$5,000,000
Costs Deferred Until Conversion	\$2,412,284
Tax Credit Equity	\$2,667,803

**Permanent Financing**

Source	Amount
CCRC	\$7,178,000
LACDA - NPLH	\$5,000,000
LACDA - AHTF	\$5,000,000
Tax Credit Equity	\$27,889,433
<b>TOTAL</b>	<b>\$45,067,433</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$27,777,781
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,781
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$7,221,045
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.88450
State Tax Credit Factor:	\$0.80000

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.

**Tie-Breaker Information**

First:	<b>Special Needs</b>
Final:	<b>53.990%</b>

**Significant Information / Additional Conditions**

Staff noted a per unit cost of \$625,937. The factors affecting this cost include City of Lancaster-required offsite improvements, LEED energy efficiency standards, and the project paying prevailing wage.

The proposed rent does not include a utility allowance on the special needs units. The owner will pay for the utilities.

This project included an annual increase in monitoring fees that was not in conformation with LACDA program requirements for NPLH funds. When staff removed this increase, the project's pro forma shows cash flow after debt service exceeding limits established by TCAC Regulations. Pursuant to TCAC Regulations 10327(g), the overage of cash flow is within the \$25,000 limit allowed by Committee. The applicant must correct the cash flow overage in the next updated TCAC application required by TCAC, and all subsequent submissions to TCAC, including the placed-in-service submission for the issuance of the IRS 8609 forms.

**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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¼ mile of transit station or public bus stop	4	4	4
Within ¾ mile of public park or community center open to general public	2	2	2
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ¾ mile of a public elementary school	2	2	2
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Other Services Specialist, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
<b>SPECIAL NEEDS HOUSING TYPE</b>			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Harry's House, located at 890 N Refugio Road in Santa Ynez, requested and is being recommended for a reservation of \$1,990,623 in annual federal tax credits to finance the new construction of 59 units of housing serving seniors with rents affordable to households earning 30-50% of area median income (AMI). The project will be developed by Housing Authority of the County of Santa Barbara and will be located in Senate District 19 and Assembly District 37.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-21-028

**Project Name** Harry's House  
**Site Address:** 890 N Refugio Road  
Santa Ynez, CA 93460 County: Santa Barbara  
**Census Tract:** 19.060

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,990,623	\$0
Recommended:	\$1,990,623	\$0

**Applicant Information**

**Applicant:** Harry's House, L.P.  
**Contact:** Robert P. Havlicek Jr  
**Address:** 815 West Ocean Avenue  
Lompoc, CA 93436  
**Phone:** (805) 736-3421  
**Email:** bobhavlicek@hasbarco.org

**General Partner(s) / Principal Owner(s):** Surf Development Company  
Housing Authority of the County of Santa Barbara  
The Rona Barrett Foundation

**General Partner Type:** Nonprofit

**Parent Company(ies):** Housing Authority of the County of Santa Barbara  
Housing Authority of the County of Santa Barbara  
The Rona Barrett Foundation

**Developer:** Housing Authority of the County of Santa Barbara

**Investor/Consultant:** RedStone Equity Partners

**Management Agent(s):** Housing Authority of the County of Santa Barbara

**Project Information**

**Construction Type:** New Construction

**Total # Residential Buildings:** 1

**Total # of Units:** 60

**No. & % of Tax Credit Units:** 59 100%

**Federal Set-Aside Elected:** 40%/60%

**Federal Subsidy:** HUD Section 8 Project-based Vouchers (59 units - 100%) / HOME

**Information**

Set-Aside: Rural  
Housing Type: Seniors  
Geographic Area: N/A  
TCAC Project Analyst: Sopida Steinwert

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 29	45%
At or Below 35% AMI: 20	30%
At or Below 50% AMI (Rural): 10	15%

**Unit Mix**

60 SRO/Studio Units  
60 Total Units

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
29 SRO/Studio	30%	\$625
20 SRO/Studio	15%	\$729
10 SRO/Studio	50%	\$1,041
1 SRO/Studio	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,355,000
Construction Costs	\$15,166,815
Rehabilitation Costs	\$0
Construction Contingency	\$893,091
Relocation	\$0
Architectural/Engineering	\$850,000
Const. Interest, Perm. Financing	\$1,008,968
Legal Fees	\$120,000
Reserves	\$1,801,926
Other Costs	\$2,120,013
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$27,515,813</b>

**Residential**

Construction Cost Per Square Foot:	\$329
Per Unit Cost:	\$458,597
Construction Cost Per Square Foot:	\$456,980

**Construction Financing**

Source	Amount
Pacific Western Bank	\$18,993,392
HACSB HOME Loan	\$900,000
HACSB Public Loan	\$3,355,000
Deferred Developer Fee	\$1,569,099
Tax Credit Equity	\$2,698,322

**Permanent Financing**

Source	Amount
Pacific Western Bank	\$5,175,000
HACSB HOME Loan	\$900,000
HACSB Public Loan	\$3,355,000
Deferred Developer Fee	\$96,998
Solar Tax Credit Equity	\$75,000
Tax Credit Equity	\$17,913,815
<b>TOTAL</b>	<b>\$27,515,813</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$17,013,872
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$22,118,034
Applicable Rate:	9.00%
Maximum Annual Federal Credit:	\$1,990,623
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	RedStone Equity Partners
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.

**Tie-Breaker Information**

First:	<b>Seniors</b>
Final:	<b>57.120%</b>

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

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

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

**Local Reviewing Agency**

The Local Reviewing Agency, County of Santa Barbara Community Services, has completed a site review of this project and 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¼ mile of transit station or public bus stop	4	4	4
Within ½ mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within ¼ mile of a neighborhood market of at least 5,000 sf	4	4	4
Within ½ mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	1	1	1
In-unit high speed internet service (Rural set-aside only)	3	3	3
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>SPECIAL NEEDS HOUSING TYPE</b>			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Health/behavioral services provided by licensed org. or individual	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Coachella Valley Apartments, located at 84900 Bagdad Avenue in Coachella, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the new construction of 55 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 Community Housing Opportunities Corporation and will be located in Senate District 28 and Assembly District 56.

Coachella Valley Apartments is currently at-risk, but is being recommended for a reservation of tax credits that will be preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of USDA RHS 521 Rental Assistance. The project financing includes state funding from the Joe Serna program of HCD.

**Project Number** CA-21-032

**Project Name** Coachella Valley Apartments  
Site Address: 84900 Bagdad Avenue  
Coachella, CA 92236 County: Riverside  
Census Tract: 457.050

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

**Applicant Information**

Applicant: Community Housing Opportunities Corporation  
Contact: Vincent Nicholas  
Address: 5030 Business Center Drive, Suite # 260  
Fairfield, CA 94534  
Phone: (415) 940-9478  
Email: vnicholas@chochousing.org

General Partner(s) / Principal Owner(s): CHOC  
Eugene Burger Management Company  
General Partner Type: Nonprofit  
Parent Company(ies): CHOC  
Eugene Burger Management Company  
Developer: Community Housing Opportunities Corporation  
Investor/Consultant: Alliant Capital  
Management Agent(s): Sterling Asset Management Corporation

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 5  
 Total # of Units: 56  
 No. & % of Tax Credit Units: 55 100%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: USDA 515 and 521 Rental Assistance (28 units - 38%) / HOME

**Information**

Set-Aside: At-Risk  
 Housing Type: Large Family  
 Geographic Area: Inland Empire Region  
 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: 12	22%
At or Below 50% AMI: 23	42%
At or Below 60% AMI: 20	36%

**Unit Mix**

18 1-Bedroom Units
20 2-Bedroom Units
18 3-BedroomUnits
<u>56 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 1 Bedroom	30%	\$424
5 1 Bedroom	50%	\$706
8 1 Bedroom	60%	\$706
4 2 Bedrooms	30%	\$508
8 2 Bedrooms	50%	\$847
2 2 Bedrooms	50%	\$847
6 2 Bedrooms	60%	\$847
3 3 Bedrooms	30%	\$587
3 3 Bedrooms	50%	\$979
5 3 Bedrooms	50%	\$979
6 3 Bedrooms	60%	\$979
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,323,041
Construction Costs	\$19,321,344
Rehabilitation Costs	\$0
Construction Contingency	\$1,292,313
Relocation	\$1,045,000
Architectural/Engineering	\$1,200,000
Const. Interest, Perm. Financing	\$1,511,725
Legal Fees	\$60,000
Reserves	\$251,966
Other Costs	\$5,128,550
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$35,333,939</b>

**Residential**

Construction Cost Per Square Foot:	\$266
Per Unit Cost:	\$630,963
True Cash Per Unit Cost*:	\$616,909

**Construction Financing**

Source	Amount
Wells Fargo Construction Loan	\$21,330,497
USDA 515 Assumed Loan	\$24,826
HCD - Joe Serna Farmworkers Grant	\$5,000,000
Riverside County HOME Funds	\$1,000,000
GP Equity	\$100
Tax Credit Equity	\$2,275,000

**Permanent Financing**

Source	Amount
Bonneville - Section 538	\$2,123,000
USDA 515 Assumed Loan	\$24,826
HCD - Joe Serna Farmworker Grant	\$5,000,000
City of Coachella - CFD Loan	\$3,794,000
Riverside County HOME Funds	\$1,000,000
Deferred Developer Fee	\$787,013
GP Equity	\$100
Tax Credit Equity	\$22,605,000
<b>TOTAL</b>	<b>\$35,333,939</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$21,367,521
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,778
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Alliant Capital
Federal Tax Credit Factor:	\$0.90420

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.

**Tie-Breaker Information**

First:	<b>Large Family</b>
Final:	<b>50.998%</b>

**Significant Information / Additional Conditions**

The project's cost per unit is approximately \$616,909. The applicant noted these cost are attributed to a new retention storm drain collector system below grade per city municipal code requirements.

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

**Local Reviewing Agency**

The Local Reviewing Agency, the City of Coachella, 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit, service every 30 minutes in rush hours	6	6	6
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1/4 mile of a public elementary school	2	2	2
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Enhanced Accessibility and Visitability	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Walnut Place, located at 1064 Walnut Avenue in Greenfield requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the new construction of 79 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 Corporation for Better Housing and will be located in Senate District 12 and Assembly District 30.

The project will be receiving rental assistance in the form of USDA RHS 521 Rental Assistance.

**Project Number** CA-21-033

**Project Name** Walnut Place  
Site Address: 1064 Walnut Avenue  
Greenfield CA, 93927 County: Monterey  
Census Tract: 112.040

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

**Applicant Information**

Applicant: 1064 Walnut Ave., L.P., a California limited partnership  
Contact: Lori Koester  
Address: 20750 Ventura Blvd., Suite 155  
Woodland Hills, CA 91364  
Phone: (818) 905-2430  
Email: lkoester@corpoffices.org

General Partner(s) / Principal Owner(s): Corporation for Better Housing  
General Partner Type: Nonprofit  
Parent Company(ies): Corporation for Better Housing  
Developer: Corporation for Better Housing  
Investor/Consultant: Alliant Capital, Ltd.  
Management Agent(s): WinnResidential California LP

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 5  
Total # of Units: 80  
No. & % of Tax Credit Units: 79 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: USDA RHS 521 / USDA 521 Rental Assistance (79 Units - 100%)

**Information**

Set-Aside: Rural apportionment (Section 514)  
Housing Type: Large Family  
Geographic Area: N/A  
TCAC Project Analyst: Nick White

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 8	10%
At or Below 45% AMI: 12	15%
At or Below 50% AMI (Rural): 40	50%
At or Below 60% AMI: 19	20%

**Unit Mix**

24 2-Bedroom Units
32 3-Bedroom Units
24 4-Bedroom Units
<u>80 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 2 Bedrooms	30%	\$654
3 2 Bedrooms	45%	\$982
12 2 Bedrooms	50%	\$1,091
6 2 Bedrooms	60%	\$1,309
3 3 Bedrooms	30%	\$756
5 3 Bedrooms	45%	\$1,134
16 3 Bedrooms	50%	\$1,260
8 3 Bedrooms	60%	\$1,512
3 4 Bedrooms	30%	\$843
4 4 Bedrooms	45%	\$1,265
12 4 Bedrooms	50%	\$1,406
5 4 Bedrooms	60%	\$1,687
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,179,357
Construction Costs	\$24,443,094
Rehabilitation Costs	\$0
Construction Contingency	\$1,472,154
Relocation	\$0
Architectural/Engineering	\$736,000
Const. Interest, Perm. Financing	\$2,333,250
Legal Fees	\$150,000
Reserves	\$535,200
Other Costs	\$2,624,518
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$36,673,573</b>

**Residential**

Construction Cost Per Square Foot:	\$296
Per Unit Cost:	\$458,420
True Cash Per Unit Cost*:	\$446,414

**Construction Financing**

Source	Amount
Pacific Western Bank	\$29,000,000
Tax Credit Equity	\$5,817,693

**Permanent Financing**

Source	Amount
Pacific Western Bank	\$9,934,600
USDA RHS 514	\$3,000,000
Deferred Developer Fee	\$280,772
Solar Tax Credit Equity	\$960,451
Tax Credit Equity	\$22,497,750
<b>TOTAL</b>	<b>\$36,673,573</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$21,367,521
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,777
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Alliant Capital, Ltd.
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.

**Tie-Breaker Information**

First:	<b>Large Family</b>
Final:	<b>44.159%</b>

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

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

**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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	4	4	4
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
INSERT APPLICABLE PUBLIC SCHOOL LANGUAGE	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Walnut Terrace, located at 1032 Walnut Avenue in Greenfield, requested and is being recommended for a reservation of \$1,972,888 in annual federal tax credits to finance the new construction of 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 Corporation for Better Housing and will be located in Senate District 12 and Assembly District 30.

This project will be receiving rental assistance in the form of USDA RHS 521 rental Assistance.

**Project Number** CA-21-034

**Project Name** Walnut Terrace  
Site Address: 1032 Walnut Avenue  
Greenfield CA, 93927 County: Monterey  
Census Tract: 112.040

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,972,888	\$0
Recommended:	\$1,972,888	\$0

**Applicant Information**

Applicant: 1032 Walnut Ave., L.P., a California limited partnership  
Contact: Lori Koester  
Address: 20750 Ventura Blvd., Suite 155  
Woodland Hills CA,91364  
Phone: (818) 905-2430  
Email: lkoester@corpoffices.org

General Partner(s) / Principal Owner(s): Corporation for Better Housing  
General Partner Type: Nonprofit  
Parent Company(ies): Corporation for Better Housing  
Developer: Corporation for Better Housing  
Investor/Consultant: Alliant Capital, Ltd.  
Management Agent(s): WinnResidential California LP

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 4  
Total # of Units: 63  
No. & % of Tax Credit Units: 62 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: USDA RHS 514 and 521 Rental Assistance (62 units - 100%)

**Information**

Set-Aside: Rural apportionment (Section 514)  
Housing Type: Large Family  
Geographic Area: N/A  
TCAC Project Analyst: Nick White

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 7	10%
At or Below 45% AMI: 10	15%
At or Below 50% AMI (Rural): 31	50%
At or Below 60% AMI: 14	22%

**Unit Mix**

19 2-Bedroom Units
24 3-Bedroom Units
20 4-Bedroom Units
<u>63 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 2 Bedrooms	30%	\$654
3 2 Bedrooms	45%	\$982
9 2 Bedrooms	50%	\$1,091
4 2 Bedrooms	60%	\$1,309
3 3 Bedrooms	30%	\$756
4 3 Bedrooms	45%	\$1,134
12 3 Bedrooms	50%	\$1,260
5 3 Bedrooms	60%	\$1,512
2 4 Bedrooms	30%	\$843
3 4 Bedrooms	45%	\$1,265
10 4 Bedrooms	50%	\$1,406
5 4 Bedrooms	60%	\$1,687
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,716,243
Construction Costs	\$18,705,375
Rehabilitation Costs	\$0
Construction Contingency	\$1,178,923
Relocation	\$0
Architectural/Engineering	\$594,475
Const. Interest, Perm. Financing	\$2,246,375
Legal Fees	\$150,000
Reserves	\$420,200
Other Costs	\$2,114,706
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$29,326,297</b>

**Residential**

Construction Cost Per Square Foot:	\$284
Per Unit Cost:	\$465,497
True Cash Per Unit Cost*:	\$448,278

**Construction Financing**

Source	Amount
Pacific Western Bank	\$23,600,000
Tax Credit Equity	\$3,880,120

**Permanent Financing**

Source	Amount
Pacific Western Bank	\$7,516,200
USDA 514	\$2,750,000
Deferred Developer Fee	\$1,084,779
Solar Tax Credit Equity	\$221,108
Tax Credit Equity	\$17,754,210
<b>TOTAL</b>	<b>\$29,326,297</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$16,862,288
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$21,920,974
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,972,888
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Alliant Capital, Ltd.
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.

**Tie-Breaker Information**

First:	<b>Large Family</b>
Final:	<b>43.885%</b>

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

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

**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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	4	4	4
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/4 mile of a public elementary/Middle/High SCHOOL	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Mountain View, located at 24551 Raymond Way in Lake Forest, requested and is being recommended for a reservation of \$2,394,672 in annual federal tax credits to finance the new construction of 70 units of housing serving large families with rents affordable to households earning 30-60% AMI of area median income (AMI). The project will be developed by National Community Renaissance of California and will be located in Senate District 37 and Assembly District 68.

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 SNHP program of CalHFA.

**Project Number** CA-21-036

**Project Name** Mountain View  
Site Address: 24551 Raymond Way  
Lake Forest, CA 92630 County: Orange  
Census Tract: 524.110

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,394,672	\$0
Recommended:	\$2,394,672	\$0

**Applicant Information**

Applicant: National Community Renaissance of California  
Contact: Ashley Wright  
Address: 9421 Haven Avenue  
Rancho Cucamonga, CA 91730  
Phone: (909) 483-2444  
Email: awright@nationalcore.org

General Partner(s) / Principal Owner(s): NCRC Lake Forest LLC  
General Partner Type: Nonprofit  
Parent Company(ies): National Community Renaissance of California  
Developer: National Community Renaissance of California  
Investor/Consultant: Wells Fargo  
Management Agent(s): National Community Renaissance of California

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 71  
No. & % of Tax Credit Units: 70 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HUD Section 8 Project-based Vouchers (8 Units - 12%)

**Information**

Set-Aside: N/A  
Housing Type: Large Family  
Geographic Area: Orange County  
TCAC Project Analyst: Sopida Steinwert

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 19	25%
At or Below 50% AMI: 19	25%
At or Below 60% AMI: 29	40%

**Unit Mix**

18 1-Bedroom Units
35 2-Bedroom Units
18 3-Bedroom Units
<u>71 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
8 1 Bedroom	30%	\$720
8 1 Bedroom	50%	\$1,201
2 1 Bedroom	60%	\$1,441
9 2 Bedrooms	30%	\$864
7 2 Bedrooms	50%	\$1,441
18 2 Bedrooms	60%	\$1,729
2 3 Bedrooms	30%	\$999
3 3 Bedrooms	40%	\$1,332
4 3 Bedrooms	50%	\$1,665
9 3 Bedrooms	60%	\$1,998
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$7,973,861
Construction Costs	\$18,833,774
Rehabilitation Costs	\$0
Construction Contingency	\$1,154,831
Relocation	\$738,000
Architectural/Engineering	\$1,750,000
Const. Interest, Perm. Financing	\$1,893,050
Legal Fees	\$310,000
Reserves	\$317,027
Other Costs	\$2,366,436
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$37,536,979</b>

## Residential

Construction Cost Per Square Foot:	\$232
Per Unit Cost:	\$528,690
True Cash Per Unit Cost*:	\$524,388

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo	\$25,700,000	CCRC	\$7,214,000
City of Lake Forest	\$3,700,000	CalHFA - SNHP	\$1,259,848
CalHFA - SNHP	\$1,259,848	City of Lake Forest	\$3,700,000
Orange County Housing Finance Trust	\$915,256	Orange County Housing Finance Trust	\$1,368,856
Deferred Costs	\$1,367,027	AHP	\$700,000
Tax Credit Equity	\$4,594,848	Deferred Developer Fee	\$305,425
		Tax Credit Equity	\$22,988,850
		<b>TOTAL</b>	<b>\$37,536,979</b>

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

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$20,467,281
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$26,607,465
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,394,672
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Wells Fargo
Federal Tax Credit Factor:	\$0.96000

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.

### Tie-Breaker Information

First:	<b>Large Family</b>
Final:	<b>43.080%</b>

### Significant Information / Additional Conditions

Project costs include the cost of land in a coastal market, holding costs, and demolition of an existing office building and relocation of commercial tenants, which contribute to an estimated per unit cost of approximately

**Resyndication and Resyndication Transfer Event:** None

### Local Reviewing Agency

The Local Reviewing Agency, the City of Lake Forest, 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	4	4	4
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ¼ mile of a public elementary school	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
SPECIAL NEEDS HOUSING TYPE			
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Nadeau, located at 1216 Nadeau St. in Unincorporated Los Angeles, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$4,636,554 in total state tax credits to finance the new construction of 90 units of housing serving special needs and senior tenants with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Affirmed Housing Group, Inc. and will be located in Senate District 33 and Assembly District 59.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-21-041

**Project Name** Nadeau  
**Site Address:** 1216 Nadeau St.  
Unincorporated Los Angeles, CA 90001 County: Los Angeles  
**Census Tract:** 5351.010

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,500,000	\$4,636,554
Recommended:	\$2,500,000	\$4,636,554

\* The applicant made an election not to sell (Certificate) any portion of the state credits.

**Applicant Information**

**Applicant:** Nadeau SH, L.P.  
**Contact:** Mellody Lock  
**Address:** 13520 Evening Creek Drive N., Suite 160  
San Diego, CA 92128  
**Phone:** 858-679-2459  
**Email:** mellody@affirmedhousing.com

**General Partner(s) / Principal Owner(s):** AHG Nadeau LLC  
NEXUS for Affordable Housing  
**General Partner Type:** Joint Venture  
**Parent Company(ies):** Affirmed Housing  
NEXUS for Affordable Housing  
**Developer:** Affirmed Housing Group, Inc.  
**Investor/Consultant:** Boston Financial  
**Management Agent(s):** ConAm Management Corporation

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 1  
 Total # of Units: 92  
 No. & % of Tax Credit Units: 90 100%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: HUD Section 8 Project Based Vouchers (46 Units - 51%)

**Information**

Set-Aside: Special Needs  
 Housing Type: Special Needs  
 Type of Special Needs: Homeless Senior  
 Average Targeted Affordability of Special Needs/SRO Project Units: 30%  
 % of Special Need Units: 46 units 51.00%  
 Geographic Area: Balance of Los Angeles County  
 TCAC Project Analyst: Franklin Cui

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 46	50%
At or Below 40% AMI: 21	20%

**Unit Mix**

48 SRO/Studio Units
42 1-Bedroom Units
<u>2 2-Bedroom Units</u>
92 Total Units

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
25 SRO/Studio	30%	\$591
14 SRO/Studio	40%	\$789
9 SRO/Studio	60%	\$1,183
21 1 Bedroom	30%	\$633
7 1 Bedroom	40%	\$845
14 1 Bedroom	60%	\$1,267
2 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,180,000
Construction Costs	\$29,300,000
Rehabilitation Costs	\$0
Construction Contingency	\$1,966,213
Relocation	\$0
Architectural/Engineering	\$1,301,490
Const. Interest, Perm. Financing	\$2,299,850
Legal Fees	\$190,000
Reserves	\$282,000
Other Costs	\$1,504,737
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$40,224,290</b>

**Residential**

Construction Cost Per Square Foot:	\$590
Per Unit Cost:	\$437,221
True Cash Per Unit Cost*:	\$435,047

**Construction Financing**

Source	Amount
Chase	\$26,946,371
LACDA	\$6,300,000
Tax Credit Equity	\$6,977,919

**Permanent Financing**

Source	Amount
Chase	\$7,444,354
LACDA	\$7,000,000
Deferred Developer Fee	\$200,000
Tax Credit Equity	\$25,579,936
<b>TOTAL</b>	<b>\$40,224,290</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$21,367,525
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,783
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$4,636,554
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.89100
State Tax Credit Factor:	\$0.71280

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.

**Tie-Breaker Information**

First:	<b>Special Needs</b>
Final:	<b>56.152%</b>

**Significant Information / Additional Conditions****Local Reviewing Agency**

The Local Reviewing Agency, Los Angeles County Development Authority, 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of a pharmacy	1	1	1
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
<b>SPECIAL NEEDS HOUSING TYPE</b>			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

The Apartments at Toscano, located at 3065 Lucca Lane in San Luis Obispo, requested and is being recommended for a reservation of \$1,014,032 in annual federal tax credits to finance the new construction of 37 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 San Luis Obispo Nonprofit Housing Corporation and will be located in Senate District 17 and Assembly District 35.

**Project Number** CA-21-042

**Project Name** The Apartments at Toscano  
**Site Address:** 3065 Lucca Lane  
San Luis Obispo, CA 93401 County: San Luis Obispo  
**Census Tract:** 111.030

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,014,032	\$0
Recommended:	\$1,014,032	\$0

**Applicant Information**

**Applicant:** San Luis Obispo Nonprofit Housing Corporation  
**Contact:** Ken Litzinger  
**Address:** 487 Leff Street  
San Luis Obispo, CA 93401  
**Phone:** (805) 594-5304  
**Email:** klitzinger@haslo.org

**General Partner(s) / Principal Owner(s):** San Luis Obispo Nonprofit Housing Corporation  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** Housing Authority of San Luis Obispo  
**Developer:** San Luis Obispo Nonprofit Housing Corporation  
**Investor/Consultant:** California Housing Partnership Corporation  
**Management Agent(s):** Housing Authority of San Luis Obispo

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 5  
**Total # of Units:** 38  
**No. & % of Tax Credit Units:** 37 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:**

**Information**

**Set-Aside:** N/A  
**Housing Type:** Large Family  
**Geographic Area:** Central Coast Region  
**TCAC Project Analyst:** Sopida Steinwert

## 55-Year Use / Affordability

Aggregate Targeting Number of Units	Percentage of Affordable Units	
At or Below 30% AMI:	4	10%
At or Below 45% AMI:	8	20%
At or Below 50% AMI:	15	40%
At or Below 60% AMI:	11	25%

## Unit Mix

18 1-Bedroom Units
10 2-Bedroom Units
10 3-Bedroom Units
38 Total Units

Unit Type & Number	2020 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
2 1 Bedroom	30%	\$545
1 2 Bedrooms	30%	\$654
1 3 Bedrooms	30%	\$756
5 1 Bedroom	45%	\$818
2 2 Bedrooms	45%	\$982
1 3 Bedrooms	45%	\$1,135
5 1 Bedroom	50%	\$909
5 2 Bedrooms	50%	\$1,091
5 3 Bedrooms	50%	\$1,261
5 1 Bedroom	60%	\$1,091
2 2 Bedrooms	60%	\$1,309
3 3 Bedrooms	60%	\$1,513
1 1 Bedroom	Manager's Unit	\$0

## Project Cost Summary at Application

Land and Acquisition	\$2,170,000
Construction Costs	\$9,522,653
Rehabilitation Costs	\$0
Construction Contingency	\$626,133
Relocation	\$0
Architectural/Engineering	\$414,800
Const. Interest, Perm. Financing	\$627,764
Legal Fees	\$105,000
Reserves	\$93,645
Other Costs	\$1,952,283
Developer Fee	\$1,953,038
Commercial Costs	\$0
<b>Total</b>	<b>\$17,465,316</b>

## Residential

Construction Cost Per Square Foot:	\$337
Per Unit Cost:	\$459,614
True Cash Per Unit Cost*:	\$449,087

**Construction Financing**

Source	Amount
Pacific Western Bank	\$10,675,637
County of San Luis Obispo	\$955,098
SLO County Housing Trust Fund	\$700,000
HASLO Public Funds	\$2,170,000
City of SLO Affordable Housing Fund	\$335,000
City of SLO Fee Deferral Loan	\$420,880
Deferred Costs	\$1,025,467
Deferred Developer Fee	\$400,000
Tax Credit Equity	\$783,234

**Permanent Financing**

Source	Amount
Pacific Western Bank	\$3,032,000
County of San Luis Obispo	\$955,098
SLO County Housing Trust Fund	\$700,000
HASLO Public Funds	\$2,170,000
City of SLO Affordable Housing F	\$335,000
City of SLO Fee Deferral Loan	\$420,880
Deferred Developer Fee	\$400,000
Tax Credit Equity	\$9,452,338
<b>TOTAL</b>	<b>\$17,465,316</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$8,666,938
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$11,267,019
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,014,032
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,953,038
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.93215

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.

**Tie-Breaker Information**

First:	<b>Large Family</b>
Final:	<b>51.417%</b>

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

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

**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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	3	3	3
Residents provided free or discounted transit passes, 1 pass per 2 units	2	2	2
Within ½ mile of public park or community center open to general public	3	3	3
Within 1½ miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
In-unit high speed internet service	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Vera Cruz Village, located at 116 East Cota Street in Santa Barbara, requested and is being recommended for a reservation of \$1,030,101 in annual federal tax credits to finance the new construction of 28 units of housing serving special needs tenants with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Santa Barbara Affordable Housing Group and will be located in Senate District 19 and Assembly District 37.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-21-046

**Project Name** Vera Cruz Village  
**Site Address:** 116 East Cota Street  
Santa Barbara, CA 93101 County: Santa Barbara  
**Census Tract:** 9.000

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,030,101	\$0
Recommended:	\$1,030,101	\$0

**Applicant Information**

**Applicant:** 116 East Cota Street Associates, LP  
**Contact:** Rob L. Fredericks  
**Address:** 808 Laguna Street  
Santa Barbara, CA 93101  
**Phone:** 805-897-1051  
**Email:** rfredericks@hacsb.org

**General Partner(s) / Principal Owner(s):** Garden Court, Inc.  
2nd Story Associates  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** Garden Court, Inc.  
2nd Story Associates  
**Developer:** Santa Barbara Affordable Housing Group  
**Investor/Consultant:** Enterprise Community Partners  
**Management Agent(s):** Housing Authority of the City of Santa Barbara

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 1  
**Total # of Units:** 29  
**No. & % of Tax Credit Units:** 28 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** HUD Section 8 Project-based Vouchers (28 units - 100%)

**Information**

Set-Aside: Special Needs  
Housing Type: Special Needs  
Type of Special Needs: Persons with physical, mental, development disabilities  
Average Targeted Affordability of Special Needs/SRO Project Units: 40.00%  
% of Special Need Units: 28 units 100.00%  
Geographic Area: Central Coast Region  
TCAC Project Analyst: Tiffani Negrete

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 12	40%
At or Below 45% AMI: 12	40%
At or Below 50% AMI: 2	5%
At or Below 60% AMI: 2	5%

**Unit Mix**

28 SRO/Studio Units  
1 1-Bedroom Units  
29 Total Units

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
12 SRO/Studio	30%	\$624
12 SRO/Studio	45%	\$937
2 SRO/Studio	50%	\$1,041
2 SRO/Studio	60%	\$1,249
1 1 Bedroom	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,600,000
Construction Costs	\$11,038,348
Rehabilitation Costs	\$0
Construction Contingency	\$1,008,351
Relocation	\$0
Architectural/Engineering	\$458,000
Const. Interest, Perm. Financing	\$563,925
Legal Fees	\$100,000
Reserves	\$317,333
Other Costs	\$550,951
Developer Fee	\$1,000,000
Commercial Costs	\$0
<b>Total</b>	<b>\$17,636,908</b>

**Residential**

Construction Cost Per Square Foot:	\$511
Per Unit Cost:	\$608,169
True Cash Per Unit Cost*:	\$569,182

**Construction Financing**

Source	Amount
Citi Community Capital	\$5,550,000
City of Santa Barbara	\$2,000,000
HACSB** Seller Carryback Loan	\$600,000
HACSB** Loan	\$300,000
Impact Fee Waiver	\$107,105
Accrued Interest	\$60,000
Deferred Developer Fee	\$1,000,000
General Partner Equity	\$100
Tax Credit Equity	\$8,019,703

**Permanent Financing**

Source	Amount
Citi Community Capital	\$4,850,000
City of Santa Barbara	\$2,000,000
HACSB** Seller Carryback Loan	\$600,000
HACSB** Loan	\$300,000
Impact Fee Waiver	\$107,105
Accrued Interest	\$60,000
Deferred Developer Fee	\$423,513
General Partner Equity	\$100
Solar Tax Credit Equity	\$26,208
Tax Credit Equity	\$9,269,982
<b>TOTAL</b>	<b>\$17,636,908</b>

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

\*\*Housing Authority of the City of Santa Barbara

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$8,804,283
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$11,445,568
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,030,101
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,000,000
Investor/Consultant:	Enterprise Community Partners
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.

**Tie-Breaker Information**

First:	<b>Special Needs</b>
Final:	<b>61.664%</b>

**Significant Information / Additional Conditions**

Staff noted the per unit cost is approximately \$567,631. The applicant noted that the high per unit cost is attributed to design approval, entitlements, environmental soil remediation, and construction staging challenges.

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

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

**Local Reviewing Agency**

The Local Reviewing Agency, City of Santa Barbara Community Development Department, 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¼ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ½ mile of a pharmacy	2	2	2
In-unit high speed internet service	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
SPECIAL NEEDS HOUSING TYPE			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Enhanced Accessibility and Visitability	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Shasta Garden Apartments, located at 226 East Shasta Street in Orland, requested and is being recommended for a reservation of \$703,947 in annual federal tax credits to finance the acquisition and rehabilitation of 48 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 Dawson Holdings, Inc. and is located in Senate District 4 and Assembly District 3.

**Project Number** CA-21-047

**Project Name** Shasta Garden Apartments  
**Site Address:** 226 East Shasta Street  
Orland, CA 95963 County: Glenn  
**Census Tract:** 101.000

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$703,947	\$0
Recommended:	\$703,947	\$0

**Applicant Information**

**Applicant:** DHI Shasta Garden Apartments, LP  
**Contact:** Justin Solomon  
**Address:** 300 Turney Street, 2nd Floor  
Sausalito, CA 94965  
**Phone:** (415) 609-5352  
**Email:** jsolomon@d-h-i.net

**General Partner(s) / Principal Owner(s):** DHI Shasta Garden Associates, LLC  
Community Resident Services  
**General Partner Type:** Joint Venture  
**Parent Company(ies):** Dawson Holdings, Inc.  
**Developer:** Dawson Holdings, Inc.  
**Investor/Consultant:** R4 Capital LLC  
**Management Agent(s):** AWI Management Corporation

**Project Information**

**Construction Type:** Acquisition & Rehabilitation  
**Total # Residential Buildings:** 14  
**Total # of Units:** 49  
**No. & % of Tax Credit Units:** 48 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** USDA 521 Rural Development (48 Units - 100%) / USDA 515

**Information**

**Set-Aside:** Rural  
**Housing Type:** Large Family  
**Geographic Area:** N/A  
**TCAC Project Analyst:** Franklin Cui

**55-Year Use / Affordability**

<b>Aggregate Targeting Number of Units</b>	<b>Percentage of Affordable Units</b>
At or Below 30% AMI: 6	10%
At or Below 40% AMI: 10	20%
At or Below 50% AMI (Rural): 15	30%
At or Below 60% AMI: 17	35%

**Unit Mix**

20 1-Bedroom Units
17 2-Bedroom Units
12 3-Bedroom Units
<b>49 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2021 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
2 1 Bedroom	30%	\$393
4 1 Bedroom	40%	\$525
6 1 Bedroom	50%	\$656
8 1 Bedroom	60%	\$787
2 2 Bedrooms	30%	\$472
3 2 Bedrooms	40%	\$630
6 2 Bedrooms	50%	\$787
5 2 Bedrooms	60%	\$945
2 3 Bedrooms	30%	\$545
3 3 Bedrooms	40%	\$726
3 3 Bedrooms	50%	\$908
4 3 Bedrooms	60%	\$1,090
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,826,142
Construction Costs	\$0
Rehabilitation Costs	\$3,978,800
Construction Contingency	\$466,020
Relocation	\$128,715
Architectural/Engineering	\$125,000
Const. Interest, Perm. Financing	\$451,853
Legal Fees	\$165,000
Reserves	\$155,222
Other Costs	\$265,000
Developer Fee	\$784,779
Commercial Costs	\$0
<b>Total</b>	<b>\$9,346,531</b>

**Residential**

Construction Cost Per Square Foot:	\$100
Per Unit Cost:	\$190,746
True Cash Per Unit Cost*:	\$188,557

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Bonneville Multifamily Capital	\$4,320,000	Bonneville Multifamily Capital	\$1,680,000
USDA 515	\$1,109,178	USDA 515	\$1,109,178
Cash Flow From Operations	\$114,608	Cash Flow From Operations	\$114,608
Deferred Costs	\$318,207	Deferred Developer Fee	\$107,222
Tax Credit Equity	\$3,484,538	Tax Credit Equity	\$6,335,523
		<b>TOTAL</b>	<b>\$9,346,531</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis (Rehabilitation):	\$6,016,641
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$7,821,633
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$703,947
Approved Developer Fee (in Project Cost & Eligible Basis):	\$784,779
Investor/Consultant:	R4 Capital LLC
Federal Tax Credit Factor:	\$0.90000

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.

**Tie-Breaker Information**

First:	<b>Large Family</b>
Final:	<b>47.169%</b>

**Significant Information / Additional Conditions:** None

**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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	3	3	3
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within 1 mile of a public high school	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Imagine Village II, located at 44000 Sahuayo in Lancaster, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$2,339,856 in total state tax credits to finance the new construction of 78 units of housing serving large families and special needs tenants with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Abbey Road Inc. and will be located in Senate District 21 and Assembly District 36.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. This project will be receiving rental assistance in the form of HCD SMHP

<b>Project Number</b>	CA-21-048
<b>Project Name</b>	Imagine Village II
Site Address:	44000 Sahuayo Street
	Lancaster CA, 93535
	County: Los Angeles
Census Tract:	9005.040

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,500,000	\$2,339,856
Recommended:	\$2,500,000	\$2,339,856

\* The applicant made an election not to sell (Certificate) any portion of the state credits.

**Applicant Information**

Applicant:	Abbey Road, Inc.
Contact:	Maura Johnson
Address:	15305 Rayen Street
	North Hills CA, 91343
Phone:	818-332-8208
Email:	m.johnson@pennylane.org

General Partner(s) / Principal Owner(s):	Abbey Road, Inc.
General Partner Type:	Nonprofit
Parent Company(ies):	Penny Lane Centers
Developer:	Abbey Road, Inc.
Investor/Consultant:	California Housing Partnership
Management Agent(s):	Barker Management

**Project Information**

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	80
No. & % of Tax Credit Units:	78 100%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	HUD Section 8 Project-based Vouchers (42 units - 54%)

**Information**

Set-Aside: Nonprofit (homeless assistance)  
 Housing Type: Special Needs / Large Family  
 Type of Special Needs: Homeless  
 Average Targeted Affordability of Special Needs/SRO Project Units: 30.00%  
 % of Special Need Units: 42 units 54.00%  
 Geographic Area: Balance of Los Angeles County  
 TCAC Project Analyst: Nick White

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 42	50%
At or Below 50% AMI: 14	15%
At or Below 60% AMI: 22	28%

**Unit Mix**

20 SRO/Studio Units
17 1-Bedroom Units
22 2-Bedroom Units
21 3-BedroomUnits
<u>80 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
12 SRO/Studio	30%	\$591
2 1 Bedroom	30%	\$633
3 SRO/Studio	30%	\$591
13 1 Bedroom	30%	\$633
10 2 Bedrooms	30%	\$760
2 3 Bedrooms	30%	\$878
5 SRO/Studio	50%	\$893
1 1 Bedroom	50%	\$1,056
7 2 Bedrooms	50%	\$1,267
1 3 Bedrooms	50%	\$1,464
5 2 Bedrooms	60%	\$1,521
17 3 Bedrooms	60%	\$1,757
1 1 Bedroom	Manager's Unit	\$0
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$930,524
Construction Costs	\$29,282,803
Construction Contingency	\$2,164,987
Relocation	\$0
Architectural/Engineering	\$1,432,981
Const. Interest, Perm. Financing	\$2,510,749
Legal Fees	\$185,000
Reserves	\$396,000
Other Costs	\$2,902,997
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$42,006,041</b>

**Residential**

Construction Cost Per Square Foot:	\$415
Per Unit Cost:	\$525,076
True Cash Per Unit Cost*:	\$525,076

**Construction Financing**

Source	Amount
Chase Construction	\$30,425,833
LACDA	\$7,790,000
Deferred Costs	\$1,558,800
GP Capital Contribution	\$100
Tax Credit Equity	\$2,231,308

**Permanent Financing**

Source	Amount
CCRC Permanent Loan	\$4,710,000
HCD (SHMHP)	\$5,420,858
LACDA	\$7,840,000
LA County Fifth District Grant	\$300,000
GP Capital Contribution	\$100
Tax Credit Equity	\$23,735,083
<b>TOTAL</b>	<b>\$42,006,041</b>

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$21,367,521
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,777
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$2,339,856
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.87359
State Tax Credit Factor:	\$0.81000

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.

**Tie-Breaker Information**

First:	<b>Special Needs</b>
Final:	<b>72.662%</b>

**Significant Information / Additional Conditions:**

The applications per unit cost is approximately \$525,076. The applicant noted the cost is due in part the City of Lancaster's requirement for solar photovoltaic carports, local development impact fees and permit fees.

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

**Local Reviewing Agency**

The Local Reviewing Agency, City of Lancaster, has completed a site review of this project and has no position on 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Van or dial-a-ride service for rural set-aside	4	3	4
Within ½ mile of transit station or public bus stop	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
INSERT APPLICABLE PUBLIC SCHOOL LANGUAGE	2	2	2
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
Within 1 mile of a pharmacy	1	1	1
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
SPECIAL NEEDS HOUSING TYPE			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Valley Senior Village, located at 337 East Valley Parkway in Escondido, requested and is being recommended for a reservation of \$1,056,547 in annual federal tax credits to finance the new construction of 49 units of housing serving special needs tenants and senior tenants with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by National Community Renaissance of California and will be located in Senate District 38 and Assembly District 75.

The project financing includes state funding from the NPLH program of HCD.

**Project Number** CA-21-050

**Project Name** Valley Senior Village  
**Site Address:** 337 East Valley Parkway  
Escondido, CA 92025 County: San Diego  
**Census Tract:** 202.140

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,056,547	\$0
Recommended:	\$1,056,547	\$0

**Applicant Information**

**Applicant:** Ivy Valley Housing Partners, L.P.  
**Contact:** Ted Miyahara  
**Address:** 6160 Mission Gorge Road, Suite 204  
San Diego, CA 92120  
**Phone:** 619-723-8962  
**Email:** tmiyahara@ots-sdchc.org

**General Partner(s) / Principal Owner(s):** National Community Renaissance of California  
Ivy Valley Housing LLC

**General Partner Type:** Nonprofit

**Parent Company(ies):** National Community Renaissance of California  
San Diego Community Housing Corporation

**Developer:** National Community Renaissance of California

**Investor/Consultant:** Red Stone Equity Partners, LLC

**Management Agent(s):** National Community Renaissance of California

**Project Information**

**Construction Type:** New Construction

**Total # Residential Buildings:** 1

**Total # of Units:** 50

**No. & % of Tax Credit Units:** 49 100%

**Federal Set-Aside Elected:** 40%/60%

**Federal Subsidy:** N/A

**Information**

Set-Aside: Special Needs  
Housing Type: Special Needs / Senior  
Type of Special Needs: Homeless/formerly homeless; Physical, mental, developmental disabilities  
Average Targeted Affordability of Special Needs/SRO Project Units: 30.00%  
% of Special Need Units: 25 units 50.00%  
Geographic Area: San Diego County  
TCAC Project Analyst: Tiffani Negrete

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 25	50%
At or Below 50% AMI: 19	35%
At or Below 60% AMI: 5	10%

**Unit Mix**

49 SRO/Studio Units
<u>1 2-Bedroom Units</u>
50 Total Units

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
25 SRO/Studio	30%	\$267
19 SRO/Studio	50%	\$811
5 SRO/Studio	60%	\$973
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,337,256
Construction Costs	\$9,933,630
Rehabilitation Costs	\$0
Construction Contingency	\$591,600
Relocation	\$0
Architectural/Engineering	\$1,294,368
Const. Interest, Perm. Financing	\$646,552
Legal Fees	\$125,000
Reserves	\$504,062
Other Costs	\$2,392,954
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$21,025,422</b>

**Residential**

Construction Cost Per Square Foot:	\$269
Per Unit Cost:	\$420,508
True Cash Per Unit Cost*:	\$419,508

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
JP Morgan Chase	\$8,181,127	JP Morgan Chase	\$313,242
County of San Diego - NPLH	\$4,448,628	County of San Diego - NPLH	\$4,942,920
County of San Diego - IHTF	\$1,800,000	County of San Diego - IHTF	\$2,000,000
City of Escondido	\$4,000,000	City of Escondido	\$4,000,000
Deferred Costs	\$1,623,741	Deferred Developer Fee	\$50,000
Tax Credit Equity	\$971,926	Tax Credit Equity	\$9,719,260
		<b>TOTAL</b>	<b>\$21,025,422</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$11,440,226
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$14,872,294
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,056,547
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Red Stone Equity Partners, LLC
Federal Tax Credit Factor:	\$0.91991

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.

**Tie-Breaker Information**

First:	<b>Special Needs</b>
Final:	<b>80.155%</b>

**Significant Information / Additional Conditions**

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

This project will serve 100% senior tenants with 50% of the units reserved for seniors with special needs.

The project has a capitalized operating subsidy reserve (COSR) from HCD for 24 units for 20 years. The reserve will be held by HCD and will be used to ensure breakeven cash flow.

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

**Local Reviewing Agency**

The Local Reviewing Agency, City of Escondido, 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¼ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within ½ mile of a neighborhood market of at least 5,000 sf	3	3	3
Senior project within ½ mile of daily operated senior center/facility	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within 1 mile of medical clinic or hospital	2	0	2
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
<b>SPECIAL NEEDS HOUSING TYPE</b>			
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

**REVISED**

Willow Greenridge, located in South San Francisco at the addresses listed below, requested \$2,021,765 in annual federal tax credits and \$868,550 in total state tax credits but is being recommended for a reservation of \$2,100,477 in annual federal tax credits (See "**Significant Information / Additional Conditions**" below) to finance the acquisition and rehabilitation of 68 units of housing serving large families with rents affordable to households earning 30-80% of area median income (AMI). The project will be developed by MidPen Housing Corporation and is located in Senate District 11 and Assembly District 19.

Greenridge is a resyndication of an existing Low Income Housing Tax Credit (LIHTC) project, Greenridge Apartments (CA-98-507). See Resyndication and Resyndication Transfer Event below for additional information.

**Project Number** CA-21-053

**Project Name** Willow Greenridge

Site Addresses: Willow Gardens Apartments Greenridge Apartments  
986 Nora Way 1565 El Camino Real South  
976 Sandra Court South San Francisco, CA 94080  
344, 364, 383, 395 Susie Way  
982, 986, 990 Brusco Way  
South San Francisco, CA 94080

County: San Mateo

Census Tract: 6019.01; 6018.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,021,765	\$868,550
Recommended:	\$2,100,479	\$0

**Applicant Information**

Applicant: MP Willow Greenridge Associates, L.P.

Contact: Jan M. Lindenthal

Address: 303 Vintage Park Drive, Suite 250  
Foster City, CA 94404

Phone: 650-356-2900

Email: jlindenthal@midpen-housing.org

General Partner(s) / Principal Owner(s): MP Greenridge LLC

General Partner Type: Nonprofit

Parent Company(ies): MidPen Housing Corporation

Developer: MidPen Housing Corporation

Investor/Consultant: California Housing Partnership Corporation

Management Agent(s): MidPen Property Management Corporation

**Project Information**

Construction Type: Acquisition & Rehabilitation  
 Total # Residential Buildings: 18  
 Total # of Units: 70  
 No. & % of Tax Credit Units: 68 100%  
 Federal Set-Aside Elected: 40%/60% Average Income  
 Federal Subsidy: HOME / CDBG

**Information**

Set-Aside: N/A  
 Housing Type: Large Family  
 Geographic Area: South and West Bay Region  
 TCAC Project Analyst: Ruben Barcelo

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
At or Below 30% AMI:	10	10%
At or Below 40% AMI:	18	25%
At or Below 50% AMI:	18	25%
At or Below 60% AMI:	14	0%
At or Below 80% AMI:	8	0%

**Unit Mix**

53 2-Bedroom Units
13 3-BedroomUnits
4 4-Bedroom Units
<b>70 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2020 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
6 2 Bedrooms	30%	\$919
2 3 Bedrooms	30%	\$1,230
2 4 Bedrooms	30%	\$1,165
8 2 Bedrooms	40%	\$1,359
7 3 Bedrooms	40%	\$1,496
1 4 Bedrooms	40%	\$1,776
1 2 Bedrooms	50%	\$1,497
3 3 Bedrooms	50%	\$1,496
1 2 Bedrooms	60%	\$2,052
1 3 Bedrooms	60%	\$2,246
1 4 Bedrooms	60%	\$2,747
2 2 Bedrooms	40%	\$1,478
14 2 Bedrooms	50%	\$1,478
11 2 Bedrooms	60%	\$1,660
8 2 Bedrooms	80%	\$1,766
1 2 Bedrooms	Manager's Unit	\$0
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$28,010,000
Construction Costs	\$0
Rehabilitation Costs	\$15,515,000
Construction Contingency	\$1,887,188
Relocation	\$1,490,700
Architectural/Engineering	\$639,443
Const. Interest, Perm. Financing	\$1,749,159
Legal Fees	\$534,800
Reserves	\$575,296
Other Costs	\$1,800,473
Developer Fee	\$1,700,000
Commercial Costs	\$0
<b>Total</b>	<b>\$53,902,059</b>

**Residential**

Construction Cost Per Square Foot:	\$195
Per Unit Cost:	\$770,029
True Cash Per Unit Cost*:	\$532,092

**Construction Financing**

Source	Amount
Silicon Valley Bank Construction Loan	\$22,943,582
Seller Carryback Loan	\$16,655,653
San Mateo County AHF 7.0	\$250,000
San Mateo County CDBG	\$1,000,000
Assumed City RDA - Greenridge	\$1,070,671
Assumed City RDA - Willow	\$5,612,262
Assumed City HOME - Willow	\$1,687,153
Assumed City CDBG - Willow	\$500,000
Deferred Interest	\$971,968
Deferred Cost	\$1,486,996
GP Equity	\$100
Tax Credit Equity	\$1,723,674

**Permanent Financing**

Source	Amount
CCRC Permanent Loan	\$7,304,000
Seller Carryback Loan	\$16,655,653
San Mateo County AHF 7.0	\$250,000
San Mateo County CDBG	\$1,000,000
Assumed City RDA - Greenridge	\$1,070,671
Assumed City RDA - Willow	\$5,612,262
Assumed City HOME - Willow	\$1,687,153
Assumed City CDBG - Willow	\$500,000
Acquired Reserves (Greenridge)	\$308,506
Deferred Interest	\$971,968
GP Equity	\$100
Tax Credit Equity	\$18,541,746
<b>TOTAL</b>	<b>\$53,902,059</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis (Rehabilitation):	\$22,464,052
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$5,185,554
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$22,464,052
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$5,185,554
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$2,021,765
Maximum Annual Federal Credit, Acquisition:	\$207,422
Total Maximum Annual Federal Credit:	\$2,229,187
Approved Developer Fee in Project Cost:	\$1,700,000
Approved Developer Fee in Eligible Basis:	\$1,253,092
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.88274

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.

**Tie-Breaker Information**

First:	<b>Large Family</b>
Final:	<b>36.034%</b>

**Significant Information / Additional Conditions**

The project's cost is estimated at \$532,092 per unit. This cost is attributable to its location in the Bay Area market, the value and cost of land and improvements, the high cost of construction, and payment of prevailing wages.

This project involves the substantial rehabilitation of 19 buildings located at two scattered sites in the City of South San Francisco. Willow Gardens Apartments has existing affordability restrictions. Greenridge Apartments has existing affordability restrictions including a TCAC regulatory agreement (CA-98-507). The buildings at Willow Gardens Apartments are not contiguous and exceed the maximum amount of sites permitted by TCAC regulations. However, the applicant has requested and received a waiver pursuant to TCAC Regulation Section 10302(II).

The local government jurisdiction provided a separate utility allowance for each of the project's two sites.

The project is eligible to receive acquisition credits on the Willow Gardens site since it is not a resyndication. TCAC Regulation Section 10317(c) permits TCAC staff to revise an application’s federal and state credit request when basis is reduced for reasons other than permitted. The acquisition basis was adjusted to \$5,185,554. This correction increased the annual federal credit to \$2,100,479 and decreased the state credit to \$0.

### **Resyndication and Resyndication Transfer Event**

Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-98-507). To be eligible for a new award of tax credits, the owner must provide documentation with the Form 8609 request (the placed in service submission) that the acquisition date and the placed in service date both occurred after the existing federal 15-year compliance period was completed. For resyndications that were originally rehabilitation and acquisition, the resyndication acquisition date cannot occur before the last rehabilitation credit year of the original credit period.

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

The newly resyndicated project shall continue to meet the rents and income targeting levels in the existing regulatory agreement(s) and any deeper targeting levels in the new regulatory agreement(s) for the duration of the new regulatory agreement(s). Existing households determined to be income-qualified for purposes of IRC §42 credit during the 15-year compliance period are concurrently income-qualified households for purposes of the extended use agreement. As a result, any household determined to be income qualified at the time of move-in under the existing regulatory agreement (CA-98-507) is a qualified low-income household for the subsequent allocation (existing household eligibility is "grandfathered").

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from the requirements under TCAC Regulation Section 10320(b)(4)(B).

### **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 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
Negative Points		0	0
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within 1/8 mile of transit, service every 30 minutes in rush hours	6	6	6
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/4 mile of a neighborhood market of at least 5,000 sf	4	4	4
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Sierra Village II, located at 1375 North Crawford Avenue in Dinuba, requested and is being recommended for a reservation of \$1,263,557 in annual federal tax credits to finance the new construction of 63 units of housing serving large families with rents affordable to households earning 20-60% of area median income (AMI). The project will be developed by Self-Help Enterprises and will be located in Senate District 14 and Assembly District 26.

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/IIG program(s) of HCD and MHSA through CalHFA.

**Project Number** CA-21-054

**Project Name** Sierra Village II  
**Site Address:** 1375 North Crawford Avenue  
Dinuba, CA 93618 County: Tulare  
**Census Tract:** 4.020

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,263,557	\$0
Recommended:	\$1,263,557	\$0

**Applicant Information**

**Applicant:** Self-Help Enterprises  
**Contact:** Betsy McGovern-Garcia  
**Address:** 8445 West Elowin Court  
Visalia, CA 93291  
**Phone:** (559) 802-1653  
**Email:** BetsyG@selfhelpenterprises.org

**General Partner(s) / Principal Owner(s):** Self-Help Enterprises  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** Self-Help Enterprises  
**Developer:** Self-Help Enterprises  
**Investor/Consultant:** Community Economics, Inc.  
**Management Agent(s):** AWI Management Corporation

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 11  
**Total # of Units:** 64  
**No. & % of Tax Credit Units:** 63 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** Section 8 Project-based Vouchers (9 units - 14.29%), NeighborWorks

**Information**

Set-Aside: Rural  
Housing Type: Large Family  
Geographic Area: N/A  
TCAC Project Analyst: Sarah Gullikson

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 20% AMI: 9	10%
At or Below 30% AMI: 7	10%
At or Below 50% AMI (Rural): 32	50%

**Unit Mix**

20 1-Bedroom Units  
20 2-Bedroom Units  
24 3-Bedroom Units  


---

64 Total Units

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
9 1 Bedroom	20%	\$262
1 1 Bedroom	45%	\$590
6 1 Bedroom	50%	\$656
4 1 Bedroom	60%	\$787
3 2 Bedrooms	30%	\$472
2 2 Bedrooms	45%	\$708
9 2 Bedrooms	50%	\$787
5 2 Bedrooms	60%	\$945
4 3 Bedrooms	30%	\$545
3 3 Bedrooms	45%	\$817
11 3 Bedrooms	50%	\$908
6 3 Bedrooms	60%	\$982
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$267,500
Construction Costs	\$15,071,401
Rehabilitation Costs	\$0
Construction Contingency	\$853,570
Relocation	\$0
Architectural/Engineering	\$600,000
Const. Interest, Perm. Financing	\$785,334
Legal Fees	\$25,000
Reserves	\$316,512
Other Costs	\$1,543,157
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$21,662,474</b>

**Residential**

Construction Cost Per Square Foot:	\$245
Per Unit Cost:	\$338,476
True Cash Per Unit Cost*:	\$330,143

**Construction Financing**

Source	Amount
US Bank	\$14,558,042
NeighborWorks Capital	\$1,173,227
HCD IIG	\$1,559,247
City of Dinuba PLHA	\$148,291
City of Dinuba Fee Waiver	\$353,327
AHP	\$640,000
GP Equity	\$100
Tax Credit Equity	\$1,162,356

**Permanent Financing**

Source	Amount
US Bank	\$2,119,100
Neighborworks Capital	\$1,173,227
HCD IIG	\$1,559,247
HCD PLHA Competitive	\$3,000,000
City of Dinuba PLHA	\$148,291
City of Dinuba - Fee Waiver	\$353,327
Tulare County NPLH	\$925,621
Tulare County HHS - MHSA	\$75,000
AHP	\$640,000
Deferred Developer Fee	\$180,000
GP Equity	\$100
Tax Credit Equity	\$11,488,561
<b>TOTAL</b>	<b>\$21,662,474</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$14,039,521
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$14,039,521
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,263,557
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	\$0.90922

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.

**Tie-Breaker Information**

First:	<b>Large Family</b>
Final:	<b>62.430%</b>

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

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

**Local Reviewing Agency**

The Local Reviewing Agency, the City of Dinuba, 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¼ mile of transit station or public bus stop	4	4	4
Within ½ mile of public park or community center open to general public	3	3	3
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
Within ¼ mile of a public elementary school	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
Highest or High Resources Area	8	8	8
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
<b>SPECIAL NEEDS HOUSING TYPE</b>			
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Westport Cupertino, located at 21267 Stevens Creek Blvd. in Cupertino, requested and is being recommended for a reservation of \$2,381,471 in annual federal tax credits to finance the new construction of 47 units of housing serving seniors with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 15 and Assembly District 28.

**Project Number** CA-21-056

**Project Name** Westport Cupertino  
Site Address: 21267 Stevens Creek Blvd.  
Cupertino, CA 95014 County: Santa Clara  
Census Tract: 5078.050

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,381,471	\$0
Recommended:	\$2,381,471	\$0

**Applicant Information**

Applicant: Cupertino 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) / Principal Owner(s): TPC Holdings IX, LLC  
Central Valley Coalition for Affordable Housing  
General Partner Type: Joint Venture  
Parent Company(ies): The Pacific Companies  
Central Valley Coalition for Affordable Housing  
Developer: Pacific West Communities, Inc.  
Investor/Consultant: Boston Financial  
Management Agent(s): Buckingham Property Management

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 48  
No. & % of Tax Credit Units: 47 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: N/A

**Information**

Set-Aside: N/A  
Housing Type: Seniors  
Geographic Area: South and West Bay Region  
TCAC Project Analyst: Tiffani Negrete

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of</u>	<u>Percentage of</u>
<u>Units</u>	<u>Units</u>	<u>Affordable Units</u>
At or Below 30% AMI:	5	10%
At or Below 40% AMI:	8	15%
At or Below 50% AMI:	19	40%
At or Below 60% AMI:	15	30%

**Unit Mix**

9 SRO/Studio Units
28 1-Bedroom Units
11 2-Bedroom Units
<u>48 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2020 Rents Targeted % of</u>	<u>Proposed Rent</u>
	<u>Area Median Income</u>	<u>(including utilities)</u>
1 SRO/Studio	30%	\$829
2 SRO/Studio	40%	\$1,106
4 SRO/Studio	50%	\$1,382
2 SRO/Studio	60%	\$1,659
3 1 Bedroom	30%	\$888
5 1 Bedroom	40%	\$1,185
12 1 Bedroom	50%	\$1,481
8 1 Bedroom	60%	\$1,777
1 2 Bedrooms	30%	\$1,066
1 2 Bedrooms	40%	\$1,422
3 2 Bedrooms	50%	\$1,777
5 2 Bedrooms	60%	\$2,133
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$9,224,426
Construction Costs	\$17,721,183
Rehabilitation Costs	\$0
Construction Contingency	\$1,200,000
Relocation	\$0
Architectural/Engineering	\$995,000
Const. Interest, Perm. Financing	\$1,563,700
Legal Fees	\$50,000
Reserves	\$326,184
Other Costs	\$2,841,763
Developer Fee	\$2,200,000
Commercial Costs	\$1,000,000
<b>Total</b>	<b>\$37,122,256</b>

## Residential

Construction Cost Per Square Foot:	\$391
Per Unit Cost:	\$752,547
True Cash Per Unit Cost*:	\$567,667

### Construction Financing

Source	Amount
California Bank & Trust	\$23,475,936
Land Donation	\$9,119,900
Deferred Costs	\$326,184
Deferred Developer Fee	\$2,200,000
Tax Credit Equity	\$2,000,236

### Permanent Financing

Source	Amount
California Bank & Trust	\$7,000,000
California Bank & Trust - CL**	\$1,000,000
Land Donation	\$9,119,900
Tax Credit Equity	\$20,002,356
<b>TOTAL</b>	<b>\$37,122,256</b>

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

\*\*California Bank & Trust Commercial Loan

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$20,354,455
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$26,460,792
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,381,471
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.83992

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.

### Tie-Breaker Information

First:	<b>Seniors</b>
Final:	<b>46.345%</b>

### Significant Information / Additional Conditions

The applicant’s estimate of contractor profit, overhead and general requirement costs exceeds TCAC limit of 14%. The applicant is cautioned that at final review, prior to the issuance of the IRS 8609 forms, any costs or eligible basis that exceeds the limits will not be allowed.

Staff noted the per unit cost is approximately \$567,667. The applicant noted that the high per unit cost is attributed to the high-rise design, California Building Code Type III construction, impact and permitting fees, and a low number of units resulting in overall higher per unit costs.

The current legal description is part of a larger site and the project site's parcel (legal description and APN) have not yet been finalized. The legal description and APN for the project must be completed prior to submitting the placed in service package.

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

**Local Reviewing Agency**

The Local Reviewing Agency, City of Cupertino, 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¼ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Senior project within ½ mile of daily operated senior center/facility	3	3	3
Within 1 mile of a pharmacy	1	1	1
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

East Lake Apartments, located at 1315 Yuba Street in Marysville, requested and is being recommended for a reservation of \$1,756,819 in annual federal tax credits and \$5,310,000 in total state tax credits to finance the new construction of 70 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 Buckingham Property Management and will be located in Senate District 4 and Assembly District 3.

**Project Number** CA-21-058

**Project Name** East Lake Apartments  
**Site Address:** 1315 Yuba Street  
Marysville, CA 95901 County: Yuba  
**Census Tract:** 402.000

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$1,756,819	\$5,310,000
Recommended:	\$1,756,819	\$5,310,000

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

**Applicant Information**

**Applicant:** Valley Initiative for Affordable Housing  
**Contact:** Dorothy Knox  
**Address:** 1822 Canal Street  
Merced, CA 95340  
**Phone:** 209.617.8476  
**Email:** valleyinitiative@yahoo.com

**General Partner(s) / Principal Owner(s):** TPC Holdings IX, LLC  
Valley Initiative for Affordable Housing  
**General Partner Type:** Joint Venture  
**Parent Company(ies):** The Pacific Companies  
Valley Initiative for Affordable Housing  
**Developer:** Pacific West Communities, Inc.  
**Investor/Consultant:** Boston Financial  
**Management Agent(s):** Buckingham Property Management

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 4  
**Total # of Units:** 71  
**No. & % of Tax Credit Units:** 70 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** None

**Information**

Set-Aside: N/A  
Housing Type: Large Family  
Geographic Area: Capital Region  
TCAC Project Analyst: Brett Andersen

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of</u>	<u>Percentage of</u>
	<u>Units</u>	<u>Affordable Units</u>
At or Below 30% AMI:	7	10%
At or Below 40% AMI:	11	15%
At or Below 50% AMI:	28	40%
At or Below 60% AMI:	24	30%

**Unit Mix**

24 1-Bedroom Units
24 2-Bedroom Units
23 3-BedroomUnits
<u>71 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of</u>	<u>Proposed Rent</u>
	<u>Area Median Income</u>	<u>(including utilities)</u>
1 1 Bedroom	30%	\$393
3 1 Bedroom	40%	\$525
10 1 Bedroom	50%	\$656
10 1 Bedroom	60%	\$787
3 2 Bedrooms	30%	\$472
4 2 Bedrooms	40%	\$630
9 2 Bedrooms	50%	\$787
8 2 Bedrooms	60%	\$945
3 3 Bedrooms	30%	\$545
4 3 Bedrooms	40%	\$727
9 3 Bedrooms	50%	\$908
6 3 Bedrooms	60%	\$1,090
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,505,000
Construction Costs	\$14,335,600
Rehabilitation Costs	\$0
Construction Contingency	\$915,000
Relocation	\$0
Architectural/Engineering	\$595,000
Const. Interest, Perm. Financing	\$798,000
Legal Fees	\$50,000
Reserves	\$249,660
Other Costs	\$861,308
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$21,509,568</b>

**Residential**

Construction Cost Per Square Foot:	\$241
Per Unit Cost:	\$302,952
True Cash Per Unit Cost*:	\$271,966

**Construction Financing**

Source	Amount
California Bank & Trust	\$17,148,951
Deferred Developer Fee	\$2,200,000
Deferred Costs	\$249,660
Tax Credit Equity	\$1,910,957

**Permanent Financing**

Source	Amount
California Bank & Trust	\$2,200,000
Deferred Developer Fee	\$200,000
Tax Credit Equity	\$19,109,568
<b>TOTAL</b>	<b>\$21,509,568</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$19,520,206
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$19,520,206
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,756,819
Total State Credit:	\$5,310,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.83992
State Tax Credit Factor:	\$0.81992

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.

**Tie-Breaker Information**

First:	<b>Large Family</b>
Final:	<b>14.624%</b>

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

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

**Local Reviewing Agency**

The Local Reviewing Agency, the City of Marysville, has completed a site review of this project and 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¼ mile of transit station or public bus stop	4	4	4
Within ½ mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1½ miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3
Within 1 mile of a public high school	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within ½ mile of a pharmacy	2	2	2
Highest or High Resources Area	8	8	8
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 First Round**

**June 16, 2021**

Myrtle Avenue Senior Apartments, located at 4316 West Myrtle Avenue in Visalia, requested and is being recommended for a reservation of \$1,811,668 in annual federal tax credits to finance the new construction of 65 units of housing serving seniors with rents affordable to households earning 30-50% of area median income (AMI). The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 16 and Assembly District 26.

Myrtle Avenue Senior Apartments will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-21-060

**Project Name** Myrtle Avenue Senior Apartments

Site Address: 4316 West Myrtle Avenue  
Visalia, CA 93277

County: Tulare

Census Tract: 20.080

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,811,668	\$0
Recommended:	\$1,811,668	\$0

**Applicant Information**

Applicant: Visalia 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) / Principal Owner(s): TPC Holdings IX, LLC  
Kaweah Management Company  
General Partner Type: Joint Venture  
Parent Company(ies): The Pacific Companies  
Kaweah Management Company  
Developer: Pacific West Communities, Inc.  
Investor/Consultant: Boston Financial  
Management Agent(s): Housing Authority of the County of Tulare

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 36  
 Total # of Units: 66  
 No. & % of Tax Credit Units: 65 100%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: HUD Project-Based Vouchers (65 units - 100%)

**Information**

Set-Aside: N/A  
 Housing Type: Seniors  
 Geographic Area: Central Valley Region  
 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: 7	10%
At or Below 40% AMI: 10	15%
At or Below 50% AMI: 26	40%

**Unit Mix**

62 1-Bedroom Units
4 2-Bedroom Units
66 Total Units

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 1 Bedroom	30%	\$393
9 1 Bedroom	40%	\$525
25 1 Bedroom	50%	\$656
22 1 Bedroom	60%	\$714
1 2 Bedrooms	30%	\$472
1 2 Bedrooms	40%	\$630
1 2 Bedrooms	50%	\$787
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$605,000
Construction Costs	\$16,377,867
Rehabilitation Costs	\$0
Construction Contingency	\$1,015,000
Relocation	\$0
Architectural/Engineering	\$595,000
Const. Interest, Perm. Financing	\$750,400
Legal Fees	\$50,000
Reserves	\$235,638
Other Costs	\$1,087,584
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$22,916,489</b>

## Residential

Construction Cost Per Square Foot:	\$270
Per Unit Cost:	\$347,220
True Cash Per Unit Cost*:	\$347,220

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
California Bank & Trust	\$14,209,202	California Bank & Trust	\$2,950,000
HA of the County of Tulare	\$4,750,000	HA of the County of Tulare	\$4,750,000
Deferred Costs	\$235,638	Tax Credit Equity	\$15,216,489
Deferred Developer Fee	\$2,200,000	<b>TOTAL</b>	<b>\$22,916,489</b>
Tax Credit Equity	\$1,521,649		

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

## Determination of Credit Amount(s)

Requested Eligible Basis:	\$15,484,345
130% High Cost Adjustment:	Yes
Qualified Basis:	\$20,129,649
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,811,668
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.83992

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.

## Tie-Breaker Information

First:	Seniors
Final:	45.408%

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

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

## Local Reviewing Agency

The Local Reviewing Agency, the City of Visalia, has completed a site review of this project and 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¼ mile of transit, service every 30 minutes in rush hours	6	6	6
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of medical clinic or hospital	2	2	2
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

## **AGENDA ITEM 7**

Discussion and Consideration of a  
Resolution to Adopt Proposed  
Regulations, Title 4 of the California  
Code of Regulations, Sections 10302  
through 10337, Revising Allocation  
and Other Procedures

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
RESOLUTION NO. 20/21-12  
June 16, 2021**

**RESOLUTION ADOPTING REGULATIONS**

**WHEREAS**, the California Tax Credit Allocation Committee (“Committee”) is responsible for administering the federal and state Low Income Housing Tax Credit programs in California; and,

**WHEREAS**, in accordance with Health and Safety Code 50199.17, the Committee may adopt emergency regulations; and,

**WHEREAS**, the Committee has identified certain programmatic changes it believes will provide a more equitable method of allocation and better administration of the tax credit program in California; and,

**WHEREAS**, the Committee has held a public comment period, including a public hearing on its proposed amendments;

**NOW, THEREFORE, BE IT RESOLVED** that

Section 1. The Committee orders the adoption of Title 4 of the California Code of Regulations, Sections 10302 through 10337, Revising Allocation and Other Procedures;

Section 2. This Resolution shall take effect immediately upon its adoption.

Attest:

\_\_\_\_\_  
Chairperson

Date of Adoption: June 16, 2021



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

---

915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

### MEMBERS

FIONA MA, CPA, CHAIR  
State Treasurer

BETTY YEE  
State Controller

KEELY MARTIN BOSLER  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

DONALD CAVIER  
Acting Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
Nancee Robles

**DATE:** June 4, 2021

**TO:** Low Income Housing Tax Credit Stakeholders

**FROM:** Nancee Robles, Executive Director

**RE:** Final Proposed Regulation Changes and Responses to Comments

On May 7, 2021, the California Tax Credit Allocation Committee (“CTCAC” or the “Committee”) released proposed regulation changes. CTCAC staff subsequently held a public hearing in Sacramento and through the public participation conference line on May 19, 2021.

CTCAC accepted written comments on these initial proposed regulation changes through Monday, May 31, 2021. Numerous individuals, organizations, and groups formally commented on the proposed regulation changes in both oral and written form. CTCAC staff carefully considered all comments received and has finalized the recommendations to the Committee for consideration and adoption on Wednesday, June 16, 2021.

This memo includes the final proposed regulation changes, staff’s responses to comments including explanations to any proposed revisions to the initially proposed changes, which are highlighted in **yellow**. CTCAC will publish a matrix summarizing the public comments in a subsequent document.

**Proposed Regulation Changes, Comments Received, and Responses to Comments  
June 4, 2021**

**Section 10310(b)**

**Initial Proposed Change:**

- (b) Credit Ceiling available. The approximate amount of Tax Credits available in each reservation cycle may be established by the Committee at a public meeting designated for that purpose as of February first of the calendar year, in accordance with the following provisions:
  - (1) Amount of Federal Tax Credits. The amount of Federal Tax Credits available for reservation in a reservation cycle shall be equal to the sum of:
    - (A) the per capita amount authorized by law for the year, plus or minus the unused, Federal Credit Ceiling balance from the preceding calendar year, multiplied by a percentage amount established by the Committee for said cycle;
    - (B) the amount allocated, and available, under IRC Section 42(h)(3)(D) as of the date that is thirty days following the application deadline for said cycle;
    - (C) the amount of Federal Credit Ceiling returned, and available, as of the date that is thirty days following the application deadline for said cycle; and,
    - (D) additional amounts of Federal Credit Ceiling, from the current or subsequent year, necessary to fully fund projects pursuant to the allocation procedures set forth in these regulations.

For calendar year 2020, and 2021 if applicable, the amount of the Federal Credit Ceiling established by the Further Consolidated Appropriations Act, 2020 (“FCAA”) shall be allocated pursuant to Section 10325(d)(1). For calendar year 2021, and 2022 if applicable, the amount of the Federal Credit Ceiling established by the Consolidated Appropriations Act, 2021 (“CAA”) shall be allocated pursuant to Section 10325(d)(1).

**Comments Received:** None

**Final Proposed Change:** Proceed with changes as initially proposed.

---

**Section 10317(c) and (d)**

**Initial Proposed Change:**

- (c) Limit on Credit amount. Except for applications described in paragraph (d) below, all credit ceiling applications may request State credits provided the project application is not requesting the federal 130% basis adjustment for purposes of calculating the federal credit award amount. Projects are eligible for State credits regardless of their location within a

federal Qualified Census Tract (QCT) or a Difficult Development Area (DDA). Notwithstanding paragraph (d) below, applications for the Federal Credit established by the Further Consolidated Appropriations Act, 2020 or the Consolidated Appropriations Act, 2021 are not eligible for State Tax Credits.

An applicant requesting state credits shall not reduce basis related to federal tax credits except to reduce requested basis to the project's threshold basis limit or the credit request to the amount available in the project's geographic region or the limits described in Section 10325(f)(9)(C). CTCAC shall revise the basis and credit request if the applicant fails to meet this requirement.

In the event that reservations of state credits to credit ceiling applications exceed the amount of state credits available, CTCAC post-reservation shall designate applications for which there are insufficient state credits as difficult development area (DDA) projects pursuant to Section 10327(d)(3) and exchange state credits for federal credits in an amount that will yield equal equity based solely on the tax credit factors stated in the application.

- (d) (1) Under authority granted by Revenue and Taxation Code Sections 12206(b)(2)(E)(ii), 17058(b)(2)(E)(ii), and 23610.5(b)(2)(E)(ii), applications for Special Needs projects with at least 50% special needs units and within a QCT or DDA may request the federal 130% basis boost and may also request State credits, provided that the applicant does not reduce basis related to federal tax credits except to reduce requested basis to the project's threshold basis limit or the credit request to the amount available in the project's geographic region or the limits described in Section 10325(f)(9)(C). CTCAC shall revise the basis and credit request if the application fails to meet this requirement. Under authority granted by Internal Revenue Code Section 42(d)(5)(B)(v), CTCAC designates Special Needs housing type applicants for credit ceiling credits as Difficult Development Area projects, regardless of their location within a federally-designated QCT or DDA.
- (2) Under authority granted by Revenue and Taxation Code Sections 12206(b)(2)(E)(iii), 17058(b)(2)(E)(iii), and 23610.5(b)(2)(E)(iii), applications for 4% federal tax credits plus State Farmworker Credits within a QCT or DDA may request the federal 130% basis boost and may also request State credits
- (3) Under authority granted by Revenue and Taxation Code Sections 12206(b)(2)(E)(iii), 17058(b)(2)(E)(iii), and 23610.5(b)(2)(E)(iii), new construction applications for 4% federal tax credits plus State Credits pursuant to subsection (g)(1)(B) of Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code within a QCT or DDA may request the federal 130% basis boost and may also request State credits.

Applications for the Federal Credit established by the Further Consolidated Appropriations Act, 2020 or the Consolidated Appropriations Act, 2021, including Special Needs projects described in this section (d), are not eligible for State Tax Credits.

**Comments Received:** All comments received supported the proposed change.

**Final Proposed Change:** Proceed with changes as initially proposed.

## Section 10317(j)

### Initial Proposed Change:

- (j) State Tax Credit Allocations pursuant to subsection (g)(1)(B) of Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code. For calendar years beginning in 2021, an amount up to five hundred million dollars (\$500,000,000) in total State Tax Credit authority will be available (if authorized in the California Budget Act or related legislation) for new construction Tax Exempt Bond Projects subject to the requirements of the California Debt Limit Allocation Committee regulations and the requirements of Section 10326 of these regulations, for projects that can begin construction within 180 days from award. Failure to begin construction within 180 days of award shall result in rescission of the Tax Credit Reservation and may result in assessment of negative points.

Readiness to begin construction within 180 days from award shall be evidenced in the application as set forth in Sections 10325(c)(7)(A) and (B) of these regulations. Within 180 days of the award the applicant must submit to CTCAC building permits (a grading permit does not suffice to meet this requirement except that in the event that the city or county as a rule does not issue building permits prior to the completion of grading, a grading permit shall suffice; if the project is a design-build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin) or the applicable tribal documents, and notice to proceed delivered to the contractor.

Failure to begin construction within 180 days of award shall result in rescission of the Tax Credit Reservation and may result in assessment of negative points.

**Comments Received:** None

**Final Proposed Change:** Proceed with changes as initially proposed.

---

## Section 10325(c)(9)(A)(iv)

### Initial Proposed Change:

- (iv) developers shall defer or contribute as equity to the project any amount of combined 4% and 9% developer fees in cost that are in excess of the limit pursuant to Section 10327(c)(2)(A) plus ~~\$10,000~~\$20,000 per unit for each Tax Credit Unit in excess of 100, using (a) the combined Tax Credit Units of the 9% and 4% components, (b) the combined eligible basis of the 9% and 4% components, and (c) the high-cost test factor calculated using the eligible basis and threshold basis limits for the 9% component.

**Comments Received:** None

**Final Proposed Change:** Proceed with changes as initially proposed.

---

## Section 10325(d)

### Initial Proposed Change:

- (d) Application selection for evaluation. Except where CTCAC staff determines a project to be high cost, staff shall score and rank projects as described below. Staff shall identify high cost projects by comparing each scored project's total eligible basis against its total adjusted threshold basis limits. CTCAC shall calculate total eligible basis by using all project costs listed within the application unless those costs are not includable in basis under federal law as demonstrated by the shaded cells in the application sources and uses budget itself or by a letter from the development team's third party tax professional. A project will be designated "high cost" if a project's total eligible basis exceeds its total adjusted threshold basis limit by 30%. Staff shall not recommend such project for credits. Any project that receives a reservation on or after January 1, 2016 may be subject to negative points if the project's total eligible basis at placed in service exceeds the revised total adjusted threshold basis limit by 40%. For purposes of calculating the high cost test at placed in service, TCAC shall use the higher of the unadjusted threshold basis limit from application or the year the project places in services.

Following the scoring and ranking of project applications in accordance with the above criteria, subject to conditions described in these regulations, reservations of Tax Credits shall be made for those applications of highest rank in the following manner.

- (1) Set-aside application selection. Beginning with the top-ranked application from the Nonprofit set-aside, followed by the Rural set-aside (funding the RHS and HOME program apportionment first, and the Tribal pilot apportionment second), the At Risk set-aside, and the Special Needs set-aside, the highest scoring applications will have Tax Credits reserved. Credit amounts to be reserved in the set-asides will be established at the exact percentages set forth in section 10315, with the exception of the Federal Credit amount established by the Further Consolidated Appropriations Act, 2020 (~~"FGAA"~~) and the Consolidated Appropriations Act, 2021. If the last project funded in a set-aside requires more than the credits remaining in that set-aside, such overages in the first funding round will be subtracted from that set-aside in determining the amount available in the set-aside for the second funding round. If Credits are not reserved in the first round they will be added to second round amounts in the same Set Aside. If more Tax Credits are reserved to the last project in a set-aside than are available in that set-aside during the second funding round, the overage will be taken from the Supplemental Set-Aside if there are sufficient funds. If not, the award will be counted against the amounts available from the geographic area in which the project is located. Any unused credits from any Set-Asides will be transferred to the Supplemental Set-Aside and used for Waiting List projects after the second round. Tax Credits reserved in all set-asides shall be counted within the housing type goals.
- (A) For an application to receive a reservation within a set-aside, or within a rural set-aside apportionment, there shall be at least one dollar of Credit not yet reserved in the set-aside or apportionment.
- (B) Set-aside applications requesting State tax credits shall be funded, even when State credits for that year have been exhausted. The necessary State credits shall be reserved from the subsequent year's aggregate annual State credit allotment.

- (C) Except for projects competing in the rural set-aside, which shall not be eligible to compete in geographic area, unless the projects are located within a Geographic Region and no other projects have been funded within the Project's region during the year in question, after a set-aside is reserved all remaining applications competing within the set-aside shall compete in the Geographic Region.

Federal Credit established by the FCAA application selection. Applications for projects located in the counties designated as qualified 2017 and 2018 California disaster areas by the FCAA, FCAA Federal Credit shall only be reserved for (1) new construction projects also including projects that involve the demolition or rehabilitation of existing residential units that increase the unit count by (i) 25 or (ii) 50% of the existing units, whichever is greater, and adaptive re-use of non-residential structures, or (2) reconstruction or rehabilitation of an existing project located within a FCAA disaster area fire perimeter, as designated by CAL FIRE and available on the ~~CTCAC~~ ~~website~~ CTCAC website <https://www.treasurer.ca.gov/ctcac/>, and directly damaged by the fire, and that apply for the FCAA Federal Credit. Applications shall meet all program eligibility requirements unless stated otherwise below, and located in the following counties: Butte, Lake, Los Angeles, Mendocino, Napa, Nevada, Orange, San Diego, Santa Barbara, Shasta, Sonoma, Ventura, and Yuba.

Applications for projects applying for FCAA Federal Credit shall be competitively scored within the county apportionment under the system delineated in Sections 10325(c)(1) through (3), (4)(B), and (6). In the cases where applications receive the same score, the following tiebreakers shall be employed: First, 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 submitted in the application or received by TCAC no later than 14 days following the application filing deadline; Second, the application with the greatest number of proposed Tax Credit Units per annual Federal Tax Credit amount requested; and Third, the application with the greatest number of proposed bedrooms within the proposed Tax Credit Units.

For projects located within a FCAA disaster area fire perimeter, as designated by CAL FIRE and available on the ~~CTCAC~~ ~~website~~ CTCAC website <https://www.treasurer.ca.gov/ctcac/>, applying for FCAA Federal Credit in the 2020 funding round, local approvals and zoning requirements of Section 10325(f)(4) must be evidenced to CTCAC no later than June 1, 2021. Failure to do so shall result in rescission of the Tax Credit Reservation on June 2, 2021. The deadline in this paragraph may be extended if the Executive Director finds, in his or her sole discretion, a project merits additional time due to delays directly caused by fire, war, or act of God. In considering a request, the Executive Director may consider, among other things, the length of the delay and the circumstances relating to the delay.

The deferred-payment financing commitment requirements of Section 10325(f)(8) are modified for FCAA Federal Credit applications with 2017 and 2018 HCD Community Development Block Grant – Disaster Recovery (CDBG-DR) Multifamily financing as follows: a letter from an HCD identified jurisdiction stating the intent to commit a portion of that jurisdiction's HCD allocation. The letter must provide the dollar amount and the estimated date which the jurisdiction will provide TCAC a written commitment in compliance with the requirements of Section 10325(f)(8). Projects must receive these CDBG-DR funds prior to the TCAC placed-in service application deadline.

FCAA Federal Credit shall be made available starting in the 2020 second funding round in the amounts shown below:

<b>ANNUAL FEDERAL TAX CREDIT BASE + LOST UNIT ALLOCATION</b>	<b>COUNTY</b>
\$40,087,453	Butte
\$16,365,940	Sonoma
\$5,630,499	Los Angeles
\$5,421,263	Shasta
\$4,975,965	Ventura
\$4,109,511	Napa
\$3,342,311	Mendocino
\$3,259,153	Lake
\$2,886,283	Yuba
\$2,816,537	San Diego
\$2,583,158	Santa Barbara
\$2,580,476	Nevada
\$2,561,698	Orange
\$2,000,000	Supplemental
<b>\$98,620,247</b>	<b>TOTAL</b>

The funding order shall be followed by funding the highest scoring application, if any, in each of the 13 counties. After each county has had the opportunity to fund one project, TCAC shall award the second highest scoring project in each county, if any, and continue cycling through the counties, filling each county's apportionment.

For an application to receive a FCAA Federal Credit reservation, there shall be at least one dollar of Credit not yet reserved in the county allocation so long as the county's last award does not cause the county's aggregate award amount to exceed 105 percent (105%) of the amount originally available for that county. FCAA Federal Credit allocated in excess of the county's allocation by the application of the 105% rule described above will be deducted from the Supplemental allocation. If the last application requires credits in excess of 105% of the county's allocation, that application will not be funded. If all FCAA Federal Credit in a funding round has been awarded, all remaining FCAA applications shall compete in the applicable set-aside or geographic region, provided the application meets the requirements of the set-aside or geographic region, and the requirements of Section 10325.

At the conclusion of the funding round, if less than 10% of the total FCAA Federal Credit remains, all unallocated FCAA Federal Credit within the county allocations will be combined and available to remaining projects requesting FCAA Federal Credits and which meet the threshold and underwriting requirements through a waiting list. The award selection will be made from the waiting list to the counties in the order listed above. Within each county, the award selection will start with the highest ranking project located within a FCAA disaster area fire perimeter, as designated by CAL FIRE and available on the ~~CTCAC website~~[CTCAC website https://www.treasurer.ca.gov/ctcac/](https://www.treasurer.ca.gov/ctcac/) first and continue within that county in rank order until no eligible applications remain. Subsequent to the above selection ranking, any unused FCAA Federal Credit shall be designated for projects where at least fifty percent (50%) of the Low-Income Units within the project are designated for homeless households as described in Sections 10315(b)(1) through (4) starting with the highest ranking project pursuant to Section 10325(c) without regard to the set aside or geographic region for which the application applied.

All projects awarded FCAA Federal Credit in 2020 may return their allocation to the Committee without assessment of negative points if the formal written notification from the applicant of the return is received by the Committee no later than September 1, 2021. Any returned credits following September 1, 2021 will be made available to projects from the FCAA Federal Credit waiting list as previously stated. Any new application received for a project on the waiting list shall result in that project's removal from the waiting list.

The FCAA Federal Credit amount shall not be counted towards the set asides of Section 10315, the housing type goals of Section 10315(h), or the geographic apportionments of Section 10315(i). Applications for FCAA Federal Credit shall not be counted towards the four (4) awards limit of Section 10325(c). Notwithstanding Section 10325(f)(9)(C), the maximum annual Federal Tax Credits available for award to any one project in any funding round applying for FCAA Federal Credit shall not exceed Five Million Dollars (\$5,000,000). Applications for FCAA Federal Credit are not eligible for State Tax Credits.

Federal Credit established by the CAA application selection. Applications for projects located in the counties designated as qualified 2020 California disaster areas by the CAA, CAA Federal Credit shall only be reserved for (1) new construction projects also including projects that involve the demolition or rehabilitation of existing residential units that increase the unit count by (i) 25 or (ii) 50% of the existing units, whichever is greater, and adaptive re-use of non-residential structures, or (2) reconstruction or rehabilitation of an existing project located within a CAA disaster area fire perimeter, as designated by CAL FIRE and available on the CTCAC website <https://www.treasurer.ca.gov/ctcac/>, and directly damaged by the fire, and that apply for the CAA Federal Credit. Applications shall meet all program eligibility requirements unless stated otherwise below, and located in the following counties: Butte, Fresno, Lake, Lassen, Los Angeles, Madera, Mendocino, Monterey, Napa, San Bernardino, San Diego, San Mateo, Santa Clara, Santa Cruz, Shasta, Siskiyou, Solano, Sonoma, Stanislaus, Trinity, Tulare, and Yolo.

Applications for projects applying for CAA Federal Credit shall be competitively scored within the county/regional apportionment under the system delineated in Sections 10325(c)(1) through (8). In the cases where applications receive the same score, the following tiebreakers shall be employed: First, projects located within a CAA disaster area fire perimeter, as designated by CAL FIRE and

available on the CTCAC website <https://www.treasurer.ca.gov/ctcac/> and not opposed or strongly opposed by the Local Reviewing Agency (LRA); Second, the presence of an enforceable financing commitment to the specific project of at least \$1,000,000 from the State of California Department of Housing and Community Development (“HCD”) and assuming a 4% tax credit financing structure such that the Federal Tax Credit request divided by the total eligible basis does not exceed 5%; and Third, the application with the greatest number of proposed Tax Credit Units per annual Federal Tax Credit amount requested.

The deferred-payment financing commitment requirements of Section 10325(f)(8) are modified for CAA Federal Credit applications with HCD Community Development Block Grant – Disaster Recovery (CDBG-DR) Multifamily financing as follows: a letter from an HCD identified jurisdiction stating the intent to commit a portion of that jurisdiction’s HCD allocation. The letter must provide the dollar amount and the estimated date which the jurisdiction will provide TCAC a written commitment in compliance with the requirements of Section 10325(f)(8). Projects must receive these CDBG-DR funds prior to the TCAC placed-in service application deadline.

CAA Federal Credit shall be made available starting in the 2021 second funding round in the amounts shown below:

<b><u>ANNUAL FEDERAL TAX CREDIT BASE + LOST UNIT ALLOCATION</u></b>	<b><u>COUNTY/ REGION</u></b>
<u>\$17,261,698</u>	<u>Butte County</u>
<u>\$12,058,293</u>	<u>Santa Cruz County</u>
<u>\$9,395,477</u>	<u>Napa County</u>
<u>\$8,714,494</u>	<u>North Region (San Mateo, Santa Clara, Shasta, Solano, Stanislaus, and Yolo Counties)</u>
<u>\$8,609,728</u>	<u>Fresno County</u>
<u>\$8,408,925</u>	<u>Sonoma County</u>
<u>\$7,553,332</u>	<u>South Region (Madera, Monterey, Los Angeles, San Bernardino, San Diego, and Tulare Counties)</u>
<u>\$6,741,391</u>	<u>Rural (Lake, Lassen, Mendocino, Siskiyou, and Trinity Counties)</u>
<u>\$2,000,000</u>	<u>Supplemental</u>
<b><u>\$80,743,338</u></b>	<b><u>TOTAL</u></b>

The funding order shall start with applications selected in rank order within each county/region in the order above. For an application to receive a CAA Federal Credit reservation, there shall be at least one dollar of Credit not yet reserved in

the county/region allocation so long as the county/region's last award does not cause the county/region aggregate award amount to exceed 105 percent (105%) of the amount originally available for that county/region. CAA Federal Credit allocated in excess of the county/region's allocation by the application of the 105% rule described above will be deducted from the Supplemental allocation. If the last application selected requires credits in excess of 105% of the county/region's allocation, that application will not be funded. Any CAA Federal Credit remaining in a county/region apportionment at the end a funding round will be available in the subsequent round. For the final funding round of 2022 for CAA Federal Credits, if the aggregate amount of Federal Credit requested does not exceed the amount available, the 105% county limit above shall not apply. If all CAA Federal Credit in a funding round has been awarded, all remaining CAA applications shall compete in the applicable set-aside or geographic region, provided the application meets the requirements of the set-aside or geographic region, and the requirements of Section 10325.

At the conclusion of the funding round, if less than 10% of the total CAA Federal Credit remains, all unallocated CAA Federal Credit within the county/region allocations will be combined and available to remaining projects requesting CAA Federal Credits and which meet the threshold and underwriting requirements through a waiting list. The award selection will be made from the waiting list to the counties in order number of lost homes highest to lowest. Within each county, the award selection will start with the highest ranking project located within a CAA disaster area fire perimeter, as designated by CAL FIRE and available on the CTCAC website <https://www.treasurer.ca.gov/ctcac/> first and continue within that county in rank order until no eligible applications remain.

The CAA Federal Credit amount shall not be counted towards the set asides of Section 10315, the housing type goals of Section 10315(h), or the geographic apportionments of Section 10315(i). Applications for CAA Federal Credit shall not be counted towards the four (4) awards limit of Section 10325(c). Notwithstanding Section 10325(f)(9)(C), the maximum annual Federal Tax Credits available for award to any one project in any funding round applying for CAA Federal Credit shall not exceed the lesser of Four Million Dollars (\$4,000,000) and \$40,000 per Tax Credit Unit. Applications for CAA Federal Credit are not eligible for State Tax Credits.

**Comments Received:** Most commenters were in support of the use of the full 9% point system including the Readiness to Proceed category. However, some of those commenters suggested providing authority to the Executive Director the ability to grant an extension (90-110 days) to the 180/194 readiness deadline for projects under certain circumstances given the challenges of achieving building permits within the required deadline. One commenter suggested a 240 day readiness deadline due to the additional workload for the planning and building departments at the local agencies most impacted.

Most commenters supported the proposed first tie breaker to projects located in the CAA disaster area fire perimeter. In addition, those commenters suggested to provide the same tie breaker to those projects located in the FCAA disaster area fire perimeter to recognize the fire perimeters from both periods provided those projects are located in the 22 counties eligible for the CAA Federal Credit. One commenter recommended inserting another tie breaker ahead of the proposed first tie breaker for projects that were actually burned down by the fires in recent years and are being re-constructed with leasing priority given to the former residents who wish to return to the project. One commenter suggested expanding the tie breaker to include projects adjacent to or in close proximity to the

disaster area fire perimeter. One commenter opposed the first tie breaker stating it perpetuates places likely to burn in the future.

Multiple commenters supported the proposed second tie breaker to projects with HCD financing. Some commenters recommended the 5% be either eliminated or raised to either 7.5% to account for projects previously structured with the 130% basis increase, state tax credits and/or a higher developer fee. If the 5% is eliminated, some commenters suggested prioritizing HCD projects previously structured as 4% projects over HCD projects structured as 9% projects. Some commenters recommended excluding Infill Infrastructure Grants (IIG) funds and including HCD financing allocated to a local agency such as No Place Like Home (NPLH) funds awarded to an Alternative Process County (APC). Some commenters shared concerns over the HCD loan limits where a project previously structured as a 4% is now applying as a 9% is allowed to use the higher HCD loan limit in the regular 9% competition and receive a competitive advantage.

A few commenters were in opposition of the second tie breaker and stated it was more important to emphasize credit efficiency, cost containment, and unit production through the proposed third tiebreaker. Some of the commenters stated the Governor's budget is providing \$1.75B to address the backlog of the HCD projects and thus these should not be provided any priority over another project. If proposed second tie breaker is maintained, the commenters suggested removing the 5% requirement. One commenter suggested including other local funding commitments along with HCD in the proposed second tie breaker. Alternatively, the commenter suggested switching the proposed second tie breaker with the proposed third tie breaker emphasizing credit efficiency.

Most commenters were opposed to the proposed third tie breaker measuring credit efficiency and suggested the use of CTCAC's existing 9% tie breaker. Some commenters stated the existing 9% tie breaker also measures credit efficiency as well as incentivizes public funding contributions. One commenter stated credit efficiency should not be prioritized at the expense of other public benefits such as deep affordability. Some commenters suggested, if the proposed third tie breaker is maintained, at a minimum it should adjust the unit count for the number of bedrooms to prevent projects with smaller units from having a competitive advantage over projects with larger units.

One commenter supported the proposed change providing an exemption to the commitment requirements for the HCD CDBG-DR funds in CAA Federal Credit applications. The commenter also suggested a similar provision for the HCD Joe Serna Farmworker Program funds.

Most commenters were in support of the county/regional allocation of the CAA Federal Credit. The commenters stated the proposed allocations appropriately addresses where the needs are greatest, while still allowing access for each of the 22 counties. Two commenters suggested establishing a separate allocation for Native American projects as they are not able to compete with other 9% projects due to the challenges of scoring the full points in the Site Amenities point category. One commenter recommended allowing projects that would result in 105% of a county/region's allocation to be exceeded to be skipped in favor of the next highest ranked project. The commenter stated this would ensure the county/region would receive their allocation rather than the credits going to a waiting list.

One commenter supported the establishment of a waiting list when less than 10% of the total CAA Federal Credit remains at the conclusion of a funding round as proposed. Another commenter suggested removing the 10% requirement and establish a waiting list at the conclusion of the funding

round rather than allow the credits go to a subsequent round. The commenter stated there is no shortage of shovel ready projects that would be able to utilize any remaining credit. One commenter recommended the continuation of the credits as a rolling allocation to the county/region into Round 1 of 2022 as the credits were originally intended.

All comments received were in opposition of waiving the four (4) award limit of CAA Federal Credit to developers. Three of those commenters recommended maintaining the 4 award limit per developer per round for the combined 9% credits. The commenters stated the 4 award limit supports a diversity of affordable housing developers, and disperses the use of public funds to meet a variety of public policy needs reducing overreliance on any one developer. Another commenter recommended a six (6) award limit per developer per round for the combined 9% credits.

Most commenters supported the \$4,000,000 maximum per project award of the CAA Federal Credit, but most were in opposition of the \$40,000 per Tax Credit Unit maximum. One commenter suggested reducing the \$4,000,000 maximum to \$3,000,000 to spread the credits among more projects. Another commenter recommended raising the \$4,000,000 maximum due to the lack of other local funding available in certain areas. Multiple commenters opposed the \$40,000 per Tax Credit Unit limit and noted it was not feasible for projects located in high cost counties and areas with less local funding thereby more reliance on more tax credits. The commenters explained the threshold basis limits and credit efficiency mechanisms already in place incentivize lower credit requests. Some commenters suggested that should a per Tax Credit Unit maximum be employed, the amount should be increased to \$50,000 per unit.

**Response to Comments:** Given the housing need in the state and the urgency to provide housing units due to the wildfires, staff recognizes the importance of shovel ready projects to start construction within 180/194 days of credit award. However, staff is also cognizant of the delays and challenges faced at the local level. Staff proposes to provide the Executive Director, in his or her sole discretion, the authority to provide an extension of up to 90 days to the 180/194 day readiness deadline for those projects awarded points in the Readiness to Proceed point category.

Staff concurs that projects impacted by the wildfires in 2017 and 2018 that are rebuilding their communities should also be considered in the first tie breaker provided the county for which they are located in one of the 22 CAA counties. Staff proposes to add FCAA disaster area fire perimeter to the first tie breaker to recognize the fire perimeters from both periods provided they are located in one of the 22 counties and eligible for the CAA Federal Credit. With concern surrounding areas within the disaster area fire perimeter as a place likely to burn again, staff maintains that the first tie breaker is conditioned on no opposition to the project from the LRA to ensure the local government does not oppose rebuilding in that area. Staff is supportive of the rebuilding of existing projects directly damaged by the wildfires as these projects would be included in the proposed first tie breaker for projects located within the FCAA or CAA disaster area fire perimeter.

For the second tie breaker, staff maintains recognition of the importance of projects with HCD financing given these projects are some of the most affordable multifamily housing options for households heavily impacted by the wildfire disasters. These projects are shovel ready and, with the requirement to utilize less credit per eligible basis, enable the construction of more units with the CAA Federal Credit. Staff also maintains that the 5% limit will allow for the CAA Federal Credit to be spread across more projects. While staff recognize projects with HCD funds awarded to

Alternative Process County (APC) have merit, the proposed second tie breaker aims to capture those projects previously structured as 4% projects with HCD commitments.

While some comments recommended the existing 9% tie breaker be used in favor of the credit efficiency for the third tie breaker, staff supports the proposed change as an effective way to incentivize credit efficiency as well as unit production which is needed in the impacted areas. The most impacted areas are likely to be at a disadvantage to those larger areas with more local funding. Staff understands the concern with the competitiveness of smaller units and agrees that adjusting the units might advantage smaller units over larger units. Staff proposes to utilize adjusted units similar to the calculation used at the California Debt Limit Allocation Committee (CDLAC).

Staff appreciates the comment supporting the proposed change providing an exemption to the commitment requirements for the HCD CDBG-DR funds in CAA Federal Credit applications as with the FCAA Federal Credit in 2020. While other funding sources have merit for an exception, staff maintains limiting the exception to support HCD CDBG-DR funds, specifically for disaster relief, to be paired with CAA Federal Credit.

With the overwhelming support of the county/regional allocation of the CAA Federal Credit, staff will move forward with the proposed county/regional allocation. Staff recognizes the challenges Native American projects face including the ability to score maximum points in the Site Amenities point category. However, with the limited amount of CAA Federal Credit to be spread among projects in the various counties/regions, staff is not proposing a separate allocation for the Native American projects at this time. In response to the comment received with regard to the skipping of a project due to the 105% test, staff maintains that the highest ranking project(s) should be selected in a given county/region. Should sufficient credits remain in a given round, the highest ranking project in the county/region in the subsequent round would be selected rather than selecting a less meritorious project.

Given the demand for CAA Federal Credit is unknown, staff is proposing that if less than 10% of the total CAA Federal Credit remains following a funding round, staff will forgo another round in favor of a waiting list. Staff believes holding an additional funding round for a minimal amount of credit is not efficient and the credits will go to a waiting list to fund additional projects in the most impacted areas.

Staff supports a diversity of affordable housing developers, though given the immediate need for housing units in the impacted areas and the timeframe to allocate the CAA Federal Credit, staff maintains that employing the four award limit with the CAA Federal Credits could impede projects from moving forward. Staff would not want to prevent worthy projects from procuring tax credit awards due to the four award limit.

Staff appreciates comments received for the proposed change establishing a per project award to the lesser of \$4,000,000 and \$40,000 per Tax Credit Unit. Staff agrees that program requirements such as the threshold basis limits and credit efficiency mechanisms already in place incentivize lower credit requests and thus the per unit maximum is not necessary. Staff proposes to withdraw the \$40,000 per Tax Credit Unit maximum, yet still limit the per project award to \$4,000,000.

**Final Proposed Change:** Proceed with changes as initially proposed with the highlighted changes.

- (d) Application selection for evaluation. Except where CTCAC staff determines a project to be high cost, staff shall score and rank projects as described below. Staff shall identify high cost projects by comparing each scored project's total eligible basis against its total adjusted threshold basis limits. CTCAC shall calculate total eligible basis by using all project costs listed within the application unless those costs are not includable in basis under federal law as demonstrated by the shaded cells in the application sources and uses budget itself or by a letter from the development team's third party tax professional. A project will be designated "high cost" if a project's total eligible basis exceeds its total adjusted threshold basis limit by 30%. Staff shall not recommend such project for credits. Any project that receives a reservation on or after January 1, 2016 may be subject to negative points if the project's total eligible basis at placed in service exceeds the revised total adjusted threshold basis limit by 40%. For purposes of calculating the high cost test at placed in service, CTCAC shall use the higher of the unadjusted threshold basis limit from application or the year the project places in services.

Following the scoring and ranking of project applications in accordance with the above criteria, subject to conditions described in these regulations, reservations of Tax Credits shall be made for those applications of highest rank in the following manner.

- (1) Set-aside application selection. Beginning with the top-ranked application from the Nonprofit set-aside, followed by the Rural set-aside (funding the RHS and HOME program apportionment first, and the Tribal pilot apportionment second), the At Risk set-aside, and the Special Needs set-aside, the highest scoring applications will have Tax Credits reserved. Credit amounts to be reserved in the set-asides will be established at the exact percentages set forth in section 10315, with the exception of the Federal Credit amount established by the Further Consolidated Appropriations Act, 2020 (~~"FCAA"~~) and the Consolidated Appropriations Act, 2021. If the last project funded in a set-aside requires more than the credits remaining in that set-aside, such overages in the first funding round will be subtracted from that set-aside in determining the amount available in the set-aside for the second funding round. If Credits are not reserved in the first round they will be added to second round amounts in the same Set Aside. If more Tax Credits are reserved to the last project in a set-aside than are available in that set-aside during the second funding round, the overage will be taken from the Supplemental Set-Aside if there are sufficient funds. If not, the award will be counted against the amounts available from the geographic area in which the project is located. Any unused credits from any Set-Asides will be transferred to the Supplemental Set-Aside and used for Waiting List projects after the second round. Tax Credits reserved in all set-asides shall be counted within the housing type goals.
- (A) For an application to receive a reservation within a set-aside, or within a rural set-aside apportionment, there shall be at least one dollar of Credit not yet reserved in the set-aside or apportionment.
- (B) Set-aside applications requesting State tax credits shall be funded, even when State credits for that year have been exhausted. The necessary State credits shall be reserved from the subsequent year's aggregate annual State credit allotment.
- (C) Except for projects competing in the rural set-aside, which shall not be eligible to compete in geographic area, unless the projects are located within a Geographic Region and no other projects have been funded within the Project's region during the year in question, after a set-aside is reserved

all remaining applications competing within the set-aside shall compete in the Geographic Region.

Federal Credit established by the FCAA application selection. Applications for projects located in the counties designated as qualified 2017 and 2018 California disaster areas by the FCAA, FCAA Federal Credit shall only be reserved for (1) new construction projects also including projects that involve the demolition or rehabilitation of existing residential units that increase the unit count by (i) 25 or (ii) 50% of the existing units, whichever is greater, and adaptive re-use of non-residential structures, or (2) reconstruction or rehabilitation of an existing project located within a FCAA disaster area fire perimeter, as designated by CAL FIRE and available on the ~~CTCAC website~~[CTCAC website](https://www.treasurer.ca.gov/ctcac/) <https://www.treasurer.ca.gov/ctcac/>, and directly damaged by the fire, and that apply for the FCAA Federal Credit. Applications shall meet all program eligibility requirements unless stated otherwise below, and located in the following counties: Butte, Lake, Los Angeles, Mendocino, Napa, Nevada, Orange, San Diego, Santa Barbara, Shasta, Sonoma, Ventura, and Yuba.

Applications for projects applying for FCAA Federal Credit shall be competitively scored within the county apportionment under the system delineated in Sections 10325(c)(1) through (3), (4)(B), and (6). In the cases where applications receive the same score, the following tiebreakers shall be employed: First, 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 submitted in the application or received by CTCAC no later than 14 days following the application filing deadline; Second, the application with the greatest number of proposed Tax Credit Units per annual Federal Tax Credit amount requested; and Third, the application with the greatest number of proposed bedrooms within the proposed Tax Credit Units.

For projects located within a FCAA disaster area fire perimeter, as designated by CAL FIRE and available on the ~~CTCAC website~~[CTCAC website](https://www.treasurer.ca.gov/ctcac/) <https://www.treasurer.ca.gov/ctcac/>, applying for FCAA Federal Credit in the 2020 funding round, local approvals and zoning requirements of Section 10325(f)(4) must be evidenced to CTCAC no later than June 1, 2021. Failure to do so shall result in rescission of the Tax Credit Reservation on June 2, 2021. The deadline in this paragraph may be extended if the Executive Director finds, in his or her sole discretion, a project merits additional time due to delays directly caused by fire, war, or act of God. In considering a request, the Executive Director may consider, among other things, the length of the delay and the circumstances relating to the delay.

The deferred-payment financing commitment requirements of Section 10325(f)(8) are modified for FCAA Federal Credit applications with 2017 and 2018 HCD Community Development Block Grant – Disaster Recovery (CDBG-DR) Multifamily financing as follows: a letter from an HCD identified jurisdiction stating the intent to commit a portion of that jurisdiction's HCD allocation. The letter must provide the dollar amount and the estimated date which the jurisdiction will provide CTCAC a written commitment in compliance with the requirements of Section 10325(f)(8). Projects must receive these CDBG-DR funds prior to the TCAC placed-in service application deadline.

FCAA Federal Credit shall be made available starting in the 2020 second funding round in the amounts shown below:

<b>ANNUAL FEDERAL TAX CREDIT BASE + LOST UNIT ALLOCATION</b>	<b>COUNTY</b>
\$40,087,453	Butte
\$16,365,940	Sonoma
\$5,630,499	Los Angeles
\$5,421,263	Shasta
\$4,975,965	Ventura
\$4,109,511	Napa
\$3,342,311	Mendocino
\$3,259,153	Lake
\$2,886,283	Yuba
\$2,816,537	San Diego
\$2,583,158	Santa Barbara
\$2,580,476	Nevada
\$2,561,698	Orange
\$2,000,000	Supplemental
<b>\$98,620,247</b>	<b>TOTAL</b>

The funding order shall be followed by funding the highest scoring application, if any, in each of the 13 counties. After each county has had the opportunity to fund one project, TCAC shall award the second highest scoring project in each county, if any, and continue cycling through the counties, filling each county's apportionment.

For an application to receive a FCAA Federal Credit reservation, there shall be at least one dollar of Credit not yet reserved in the county allocation so long as the county's last award does not cause the county's aggregate award amount to exceed 105 percent (105%) of the amount originally available for that county. FCAA Federal Credit allocated in excess of the county's allocation by the application of the 105% rule described above will be deducted from the Supplemental allocation. If the last application requires credits in excess of 105% of the county's allocation, that application will not be funded. If all FCAA Federal Credit in a funding round has been awarded, all remaining FCAA applications shall compete in the applicable set-aside or geographic region, provided the application meets the requirements of the set-aside or geographic region, and the requirements of Section 10325.

At the conclusion of the funding round, if less than 10% of the total FCAA Federal Credit remains, all unallocated FCAA Federal Credit within the county allocations will be combined and available to remaining projects requesting FCAA Federal

Credits and which meet the threshold and underwriting requirements through a waiting list. The award selection will be made from the waiting list to the counties in the order listed above. Within each county, the award selection will start with the highest ranking project located within a FCAA disaster area fire perimeter, as designated by CAL FIRE and available on the ~~CTCAC website~~ CTCAC website <https://www.treasurer.ca.gov/ctcac/> first and continue within that county in rank order until no eligible applications remain. Subsequent to the above selection ranking, any unused FCAA Federal Credit shall be designated for projects where at least fifty percent (50%) of the Low-Income Units within the project are designated for homeless households as described in Sections 10315(b)(1) through (4) starting with the highest ranking project pursuant to Section 10325(c) without regard to the set aside or geographic region for which the application applied.

All projects awarded FCAA Federal Credit in 2020 may return their allocation to the Committee without assessment of negative points if the formal written notification from the applicant of the return is received by the Committee no later than September 1, 2021. Any returned credits following September 1, 2021 will be made available to projects from the FCAA Federal Credit waiting list as previously stated. Any new application received for a project on the waiting list shall result in that project's removal from the waiting list.

The FCAA Federal Credit amount shall not be counted towards the set asides of Section 10315, the housing type goals of Section 10315(h), or the geographic apportionments of Section 10315(i). Applications for FCAA Federal Credit shall not be counted towards the four (4) awards limit of Section 10325(c). Notwithstanding Section 10325(f)(9)(C), the maximum annual Federal Tax Credits available for award to any one project in any funding round applying for FCAA Federal Credit shall not exceed Five Million Dollars (\$5,000,000). Applications for FCAA Federal Credit are not eligible for State Tax Credits.

Federal Credit established by the CAA application selection. Applications for projects located in the counties designated as qualified 2020 California disaster areas by the CAA, CAA Federal Credit shall only be reserved for (1) new construction projects also including projects that involve the demolition or rehabilitation of existing residential units that increase the unit count by (i) 25 or (ii) 50% of the existing units, whichever is greater, and adaptive re-use of non-residential structures, or (2) reconstruction or rehabilitation of an existing project located within a CAA or FCAA disaster area fire perimeter, as designated by CAL FIRE and available on the CTCAC website <https://www.treasurer.ca.gov/ctcac/>, and directly damaged by the fire, and that apply for the CAA Federal Credit. Applications shall meet all program eligibility requirements unless stated otherwise below, and located in the following counties: Butte, Fresno, Lake, Lassen, Los Angeles, Madera, Mendocino, Monterey, Napa, San Bernardino, San Diego, San Mateo, Santa Clara, Santa Cruz, Shasta, Siskiyou, Solano, Sonoma, Stanislaus, Trinity, Tulare, and Yolo.

Applications for projects applying for CAA Federal Credit shall be competitively scored within the county/regional apportionment under the system delineated in Sections 10325(c)(1) through (8). At the sole discretion of the Executive Director, an extension of up to 90 days may be granted to the 180/194 day readiness deadline. In the cases where applications receive the same score, the following tiebreakers shall be employed: First, projects located within a CAA or FCAA disaster area fire perimeter, as designated by CAL FIRE and available on the CTCAC website <https://www.treasurer.ca.gov/ctcac/>, and not opposed or strongly opposed by the Local Reviewing Agency (LRA); Second, the presence of an

enforceable financing commitment to the specific project of at least \$1,000,000 from the State of California Department of Housing and Community Development (“HCD”) and assuming a 4% tax credit financing structure such that the Federal Tax Credit request divided by the total eligible basis does not exceed 5%; and Third, the application with the greatest number of proposed **bedroom-adjusted Tax Credit Units** per annual Federal Tax Credit amount requested. **To calculate the bedroom-adjusted units, each Tax Credit Unit will be multiplied by the adjustment factor for units of that bedroom count. A project’s adjusted units shall be the sum of each of these products. The adjustment factors shall be:**

- **.9 for a studio unit.**
- **1 for a one-bedroom unit.**
- **1.25 for a two-bedroom unit.**
- **1.5 for a three-bedroom unit up to no more than 30% of the total units, then such additional units shall be counted as 2-bedroom units.**
- **1.75 for a four-bedroom or larger unit up to no more than 10% of the total units, then such additional units shall be counted as 2-bedroom units.**

The deferred-payment financing commitment requirements of Section 10325(f)(8) are modified for CAA Federal Credit applications with HCD Community Development Block Grant – Disaster Recovery (CDBG-DR) Multifamily financing as follows: a letter from an HCD identified jurisdiction stating the intent to commit a portion of that jurisdiction’s HCD allocation. The letter must provide the dollar amount and the estimated date which the jurisdiction will provide CTCAC a written commitment in compliance with the requirements of Section 10325(f)(8). Projects must receive these CDBG-DR funds prior to the CTCAC placed-in service application deadline.

CAA Federal Credit shall be made available starting in the 2021 second funding round in the amounts shown below:

<b><u>ANNUAL FEDERAL TAX CREDIT BASE + LOST UNIT ALLOCATION</u></b>	<b><u>COUNTY/ REGION</u></b>
<u>\$17,261,698</u>	<u>Butte County</u>
<u>\$12,058,293</u>	<u>Santa Cruz County</u>
<u>\$9,395,477</u>	<u>Napa County</u>
<u>\$8,714,494</u>	<u>North Region (San Mateo, Santa Clara, Shasta, Solano, Stanislaus, and Yolo Counties)</u>
<u>\$8,609,728</u>	<u>Fresno County</u>
<u>\$8,408,925</u>	<u>Sonoma County</u>
<u>\$7,553,332</u>	<u>South Region (Madera, Monterey, Los Angeles, San Bernardino, San Diego, and Tulare Counties)</u>

<u>\$6,741,391</u>	<u>Rural (Lake, Lassen, Mendocino, Siskiyou, and Trinity Counties)</u>
<u>\$2,000,000</u>	<u>Supplemental</u>
<b><u>\$80,743,338</u></b>	<b><u>TOTAL</u></b>

The funding order shall start with applications selected in rank order within each county/region in the order above. For an application to receive a CAA Federal Credit reservation, there shall be at least one dollar of Credit not yet reserved in the county/region allocation so long as the county/region's last award does not cause the county/region aggregate award amount to exceed 105 percent (105%) of the amount originally available for that county/region. CAA Federal Credit allocated in excess of the county/region's allocation by the application of the 105% rule described above will be deducted from the Supplemental allocation. If the last application selected requires credits in excess of 105% of the county/region's allocation, that application will not be funded. Any CAA Federal Credit remaining in a county/region apportionment at the end of a funding round will be available in the subsequent round. For the final funding round of 2022 for CAA Federal Credits, if the aggregate amount of Federal Credit requested does not exceed the amount available, the 105% county limit above shall not apply. If all CAA Federal Credit in a funding round has been awarded, all remaining CAA applications shall compete in the applicable set-aside or geographic region, provided the application meets the requirements of the set-aside or geographic region, and the requirements of Section 10325.

At the conclusion of the funding round, if less than 10% of the total CAA Federal Credit remains, all unallocated CAA Federal Credit within the county/region allocations will be combined and available to remaining projects requesting CAA Federal Credits and which meet the threshold and underwriting requirements through a waiting list. The award selection will be made from the waiting list to the counties in order number of lost homes highest to lowest. Within each county, the award selection will start with the highest ranking project located within a CAA or FCAA disaster area fire perimeter, as designated by CAL FIRE and available on the CTCAC website <https://www.treasurer.ca.gov/ctcac/> first and continue within that county in rank order until no eligible applications remain.

The CAA Federal Credit amount shall not be counted towards the set asides of Section 10315, the housing type goals of Section 10315(h), or the geographic apportionments of Section 10315(i). Applications for CAA Federal Credit shall not be counted towards the four (4) awards limit of Section 10325(c). Notwithstanding Section 10325(f)(9)(C), the maximum annual Federal Tax Credits available for award to any one project in any funding round applying for CAA Federal Credit shall not exceed the lesser of Four Million Dollars (\$4,000,000) and \$40,000 per Tax Credit Unit. Applications for CAA Federal Credit are not eligible for State Tax Credits.

## Section 10325(g)(3)(K)

### Initial Proposed Change:

- (K) If the project will be operated as senior housing ~~for persons 62 years of age and older~~ pursuant to fair housing laws, then the project shall have an elevator for any building over two stories and shall meet the accessibility requirements of Section 10325(g)(2)(B).

**Comments Received:** None

**Final Proposed Change:** Proceed with changes as initially proposed.

---

## Section 10327(d)(4)

### Initial Proposed Change:

- (4) Pursuant to authority granted by IRC §42(d)(5)(B)(v), CTCAC designates credit ceiling applications for Federal Credit established by the Further Consolidated Appropriations Act, 2020 or the Consolidated Appropriations Act, 2021 as a difficult development area (DDA).

**Comments Received:** All comments received supported the proposed change.

**Final Proposed Change:** Proceed with changes as initially proposed.

---

## Section 10328(g)

### Initial Proposed Change:

- (g) Reservation Exchange. A project with a reservation of Federal Credit pursuant to Section 10325 and a carryover allocation pursuant to Section 10328(d) and IRC Code § 42(h)(1)(E) that meets either of the following criteria may elect to return all of the Federal Credit in exchange for a new reservation and allocation of Federal Credits ~~from the year immediately following the year in which the initial reservation and carryover allocation were made~~. The reservation and carryover allocation of the Federal Credits returned pursuant to this subdivision shall be deemed cancelled by mutual consent pursuant to a written agreement executed by the Committee and the applicant specifying the returned credit amount and the effective date on which the credits are deemed returned. The Committee shall concurrently issue a new reservation of Federal Credits to the project in the amount of the Federal Credits returned by the project to the Committee.
- (1) A High-Rise Project that returns all of the Federal Credit only during January of the year immediately following the year in which the initial reservation and carryover allocation were made.
- (2) A project which prior to the placed in service deadline the Executive Director finds, in his or her sole discretion, merits additional time to place in service because development was significantly delayed due to damage directly cause by fire, war, or act of God. In considering a request the Executive Director may consider,

among other things, the extent of the damage, the length of the delay, the time remaining until the project's placed in service deadline, and the circumstances causing the damage.

- (3) A project reserved Federal credit established by the Further Consolidated Appropriations Act, 2020 or the Consolidated Appropriations Act, 2021 ~~in 2020~~ that returns all of the Federal Credit only during January of the year immediately following the year in which the initial reservation and carryover allocation were made in January 2024.

**Comments Received:** None

**Final Proposed Change:** Proceed with changes as initially proposed.

---

## **AGENDA ITEM 8**

Recommendation of a  
Resolution to Adopt the  
Schedule of Fines in  
accordance with Title 4 of the  
California Code of Regulations,  
Sections 10337(f)

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
RESOLUTION NO. 20/21-13  
June 16, 2021**

**RESOLUTION ADOPTING A SCHEDULE OF FINES**

**WHEREAS**, the California Tax Credit Allocation Committee is responsible for administering the federal and state Low Income Housing Tax Credit (LIHTC) programs in California; and,

**WHEREAS**, in accordance with Title 4 of the California Code of Regulations, Section 10337(f), the Committee may adopt a schedule of fines,

**WHEREAS**, the Committee has identified certain programmatic changes it believes will provide a fairer alternative to litigation and ensures the integrity of the Low-Income Housing Tax Credit Program for the duration of the 55-year regulatory agreements and better administration of the tax credit program in California; and,

**WHEREAS**, the Committee has held a public comment period.

**NOW, THEREFORE BE IT RESOLVED** that

Section 1. The Committee orders the adoption of a schedule of fines in accordance with Title 4 of the California Code of Regulations, Section 10337(f);

Section 2. This Resolution shall take effect immediately upon its adoption.

Attest:

\_\_\_\_\_  
Chairperson

Date of Adoption: June 16, 2021



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

---

915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

### MEMBERS

FIONA MA, CPA, CHAIR  
State Treasurer

BETTY YEE  
State Controller

KEELY MARTIN BOSLER  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

DONALD CAVIER  
Acting Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
Nancee Robles

**DATE:** May 20, 2021

**TO:** Property Owners and Management Agents of Low-Income Housing Tax Credit (LIHTC) Projects

**FROM:** California Tax Credit Allocation Committee – Compliance Section

**RE:** Proposed Updates to Compliance Fine Schedule

This Memorandum (“Memo”) serves as guidance from the California Tax Credit Allocation Committee (“CTCAC” or “Committee”) to owners and property management agents of LIHTC properties in California regarding Compliance Fines for uncorrected violations of CTCAC policy or procedures.

In 2016, California Assembly Bill AB 1920 (“AB 1920”) authorized CTCAC to levy fines for non-compliance violations of the tax credit program. The intent of AB 1920 was to provide an administrative tool for CTCAC to ensure compliance for the duration of the 55-year extended-use period of requirements at LIHTC projects in cases where requirements were either not regulated by the IRS or no longer being regulated by the IRS. Currently, CTCAC reports non-compliance with federal program requirements to the IRS with a Form 8823 while the project is in their 15-year federal compliance period. For those violations reported to the IRS on Form 8823, CTCAC will not issue fines. The IRS does not enforce requirements of the State such as deeper targeting, and service amenities, or federal requirements following the 15-year federal compliance period.

The Committee adopted changes in the CTCAC regulations on December 14, 2016 establishing Section 10337(f) providing CTCAC the authority to issue compliance fines. The original [Fine Schedule](#) was published to the CTCAC website and adopted by the Committee on March 15, 2017.

CTCAC uses its discretion to determine the most appropriate sanction, whether it be negative points or fines based on the specific circumstances. For less egregious violations, the fine schedule provides a correction period - generally 30 days. For these violations, CTCAC will not impose a fine if the non-compliance is corrected during the correction period. For serious violations, an immediate fine will be assessed in addition to the requirement of correction. If the non-compliance issue remains uncorrected following the correction period, additional fines will be levied monthly.

All fines are subject to appeal in accordance to Section 10330(b)(2) of the CTCAC regulations. Section 10337(f) of the CTCAC regulations provides additional details related to the assessment and payment of the fines, as well as actions taken if the assessed fee not be paid within the required timeframe.

CTCAC has reviewed the previously approved fine schedule, and is proposing some updates to the language, and clarification on the amounts for several of the violations noted. The proposed Compliance Fine Schedule is included as Attachment A. Interested persons wishing to provide public comment on the updated fine schedule may submit written comments by email with the subject line "Proposed Compliance Fine Schedule" to [anthony.zeto@treasurer.ca.gov](mailto:anthony.zeto@treasurer.ca.gov), or deliver to the CTCAC office no later Tuesday, June 1, 2021. For email comments, it is preferable that they be in a Microsoft Word document or an electronic format that allows for copying. While CTCAC welcomes public comments, staff encourages commenters to be sparing and brief given the short timeframe for staff to turn around responses. If you agree with some changes and disagree with others, please remember to make both sets of comments so that CTCAC has a record of both favorable and unfavorable reactions.

Following adoption at the June 16, 2021 Committee meeting, any non-compliance resulting in a fine will be held to the updated fine schedule. CTCAC retains the authority to issue negative points for program violations, but will not levy fines in those cases.

If you have any questions regarding the policies or information noted above, please contact CTCAC Compliance Section Senior Program Managers Elizabeth Gutierrez-Ramos at [elizabeth.gutierrez@treasurer.ca.gov](mailto:elizabeth.gutierrez@treasurer.ca.gov) or Shannon Nardinelli at [shannon.nardinelli@treasurer.ca.gov](mailto:shannon.nardinelli@treasurer.ca.gov).

**ATTACHMENT A**  
**Proposed Compliance Fine Schedule**

All payments due within 30 days of assessment or completion of appeal

Compliance Period		Compliance Violation	Corrective Time Period	Initial Fine	Re-occurring Fine
Federal 15-Year	Extended-Use				
X		Failure to Provide Service Amenities	Immediate if not in place 6 months after the last building has been placed in service	Twice the financial gain, based on the service costs presented in the application or, if none, an assumed cost of \$20,000 per year	After 30 days, an additional twice the monthly financial gain.
X	X	Failure to submit Annual Operating Expense (AOE) Package	30-Day Corrective Period	\$250	\$50 per month until corrected
X	X	Failure to submit Tenant Demographic Data	30-Day Corrective Period	\$250	\$50 per month until corrected
X	X	Sale of Property or Change of Ownership Entity without TCAC Approval	Immediate	\$500	After 30 days, an additional \$500 per month until TCAC approval
X	X	Other Transfer Event completed without CTCAC Approval - (Refinance, Supplemental Loan,	Immediate	\$500	After 30 days, an additional \$500 per month until TCAC approval
X	X	Change of Property Management Company without CTCAC Approval	Immediate	\$500	\$500 per month until corrected
X	X	Change in Unit Mix without CTCAC Approval	Immediate	\$500	\$500 per month until corrected
X	X	Failure to use TCAC required Forms (TIC, TICQ, THIF, Under \$5K Asset, Child/Spousal Support Affidavit, etc.)	30-Day Corrective Period	\$250	\$100 per month until corrected
X	X	Failure to maximize utilization of accessible units, give priority for accessible units to persons residing in the complex or on waiting list who need the accessibility features	30-Day Corrective Period	\$250	\$100 per month until corrected
	X	Failure to submit Annual Owner Certification (AOC) Documents	30-Day Corrective Period	\$250	\$50 per month until corrected
	X	Uncorrected UPCS - Level 1	30-Day Corrective Period	\$100 per instance	\$50 per instance per month until corrected
	X	Uncorrected UPCS - Level 2	30-Day Corrective Period	\$250 per instance	\$50 per instance per month until corrected
	X	Uncorrected UPCS - Level 3	30-Day Corrective Period	\$300 per instance	\$50 per instance per month until corrected
	X	Uncorrected UPCS - Health and Safety Violations	Immediate	\$400 per instance	\$100 per instance per month until corrected
	X	Eligibility - Household not Income Eligible	30-Day Corrective Period	\$250 per instance	\$100 per instance per month until corrected
	X	Eligibility - Incorrect/Overcharged Rent of less than \$15	30-Day Corrective Period	\$100 per instance + overage rebated to tenants	\$100 per instance per month until corrected

**ATTACHMENT A**  
**Proposed Compliance Fine Schedule**

All payments due within 30 days of assessment or completion of appeal

Compliance Period		Compliance Violation	Corrective Time Period	Initial Fine	Re-occurring Fine
Federal 15-Year	Extended-Use				
	X	Eligibility - Incorrect/Overcharged Rent of \$15 or more	Immediate	\$250 per instance + overage rebated to tenants	\$100 per instance per month until corrected
	X	Use of Ratio Utility Billing System (RUBS)	Immediate	\$250 + \$100 for every month the RUBS was in place. If over CTCAC maximum rent, must also rebate tenants for overage	\$100 per month until corrected
	X	Failure to submit Annual Owner Certification (AOC) Package	30-Day Corrective Period	\$250	\$50 per month until corrected
	X	Unit Vacant/Offline for more than 60 days	Immediate	\$250 if unit is vacant for more than 60 days, not turn-key ready, not being advertised, or being held for another entity	\$250 per instance per month until corrected
	X	Failure to Respond to Agency Request for Monitoring	Immediate if no response is received within 7 calendar days of rescheduled monitoring inspection notification letter	\$500	\$500 per month until corrected
	X	Violation of Student Rule Requirements	Immediate	\$250 per instance	\$100 per instance per month until corrected

# **AGENDA ITEM 9**

Public Comment

## **AGENDA ITEM 10**

Adjournment