

# 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.

<b>Project Number</b>	CA-21-004
<b>Project Name</b>	Chukchansi LIHTC #1
Site Address:	West of the intersection of High School Road and Indian Springs Road Oakhurst, CA 93644
Census Tract:	1.040
	County: Madera

<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 Indian: 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**

<b>Aggregate Targeting Number of Units</b>	<b>Percentage of Affordable Units</b>
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

<b>Unit Type &amp; Number</b>	<b>2020 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
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.**