

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report Tax-Exempt Bond Project August 11, 2021

Marina Village Apartments, located at 201 Marina Boulevard in Suisun City, requested and is being recommended for a reservation of \$3,250,293 in annual federal tax credits and \$7,460,688 in total state tax credits to finance the new construction of 159 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 Solano Affordable Housing Foundation and will be located in Senate District 3 and Assembly District 11.

The project financing includes state funding from MIP through CalHFA.

Project Number	CA-21-567
Project Name	Marina Village Apartments
Site Address:	201 Marina Boulevard
	Suisun City CA, 94585 County: Solano
Census Tract:	2527.03

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$3,250,293	\$7,460,688
Recommended:	\$3,250,293	\$7,460,688

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

Applicant Information

Applicant:	Solano Affordable Housing Foundation
Contact:	Don F. Harris
Address:	1411 Oliver Road Suite 220 Fairfield CA, 94534
Phone:	707-422-5919
Email:	donh@solanohousing.org
General Partner(s) or Principal Owner(s):	Suisun Housing Company, LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Solano Affordable Housing Foundation
Developer:	Solano Affordable Housing Foundation
Bond Issuer:	CalHFA
Investor/Consultant:	R4 Capital
Management Agent:	John Stewart Company

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	8
Total # of Units:	160
No. / % of Low Income Units:	159 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt

Information

Housing Type:	Large Family
Geographic Area:	Northern Region
TCAC Project Analyst:	Sopida Steinwert

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	16	10%
40% AMI:	28	18%
60% AMI:	11	7%
70% AMI:	104	65%

Unit Mix

39 1-Bedroom Units
57 2-Bedroom Units
48 3-Bedroom Units
16 4-Bedroom Units
160 Total Units

Unit Type & Number	2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
4 1 Bedroom	30%	\$546
28 1 Bedroom	40%	\$728
4 1 Bedroom	70%	\$1,274
3 1 Bedroom	60%	\$1,092
4 2 Bedrooms	30%	\$655
28 2 Bedrooms	70%	\$1,529
4 2 Bedrooms	70%	\$1,529
20 2 Bedrooms	70%	\$1,529
4 3 Bedrooms	30%	\$757
4 3 Bedrooms	70%	\$1,767
20 3 Bedrooms	70%	\$1,767
20 3 Bedrooms	70%	\$1,767
4 4 Bedrooms	30%	\$845
4 4 Bedrooms	70%	\$1,972
8 4 Bedrooms	60%	\$1,690
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,285,577
Construction Costs	\$40,755,215
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,047,490
Soft Cost Contingency	\$500,000
Relocation	\$0
Architectural/Engineering	\$1,050,000
Const. Interest, Perm. Financing	\$2,943,135
Legal Fees	\$370,000
Reserves	\$535,318
Other Costs	\$7,126,344
Developer Fee	\$10,417,604
Commercial Costs	\$0
Total	\$68,030,683

Residential

Construction Cost Per Square Foot:	\$259
Per Unit Cost:	\$425,192
True Cash Per Unit Cost*:	\$386,101

Construction Financing

Source	Amount
Citibank - Tax Exempt	\$35,449,239
Citibank - Taxable	\$12,482,006
Recycled Bonds	\$2,500,000
Deferred Costs	\$10,721,065
Tax Credit Equity	\$6,878,373

Permanent Financing

Source	Amount
CalHFA	\$24,209,384
MIP Loan - CalHFA	\$3,175,000
Deferred Developer Fee	\$6,254,450
Tax Credit Equity	\$34,391,849
TOTAL	\$68,030,683

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$62,505,627
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$81,257,315
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,250,293
Total State Credit:	\$7,460,688
Approved Developer Fee (in Project Cost & Eligible Basis):	\$10,417,604
Investor/Consultant:	R4 Capital
Federal Tax Credit Factor:	\$0.86991
State Tax Credit Factor:	\$0.81992

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.

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

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.

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.

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.