

# **CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

## **Project Staff Report**

### **Tax-Exempt Bond Project**

**August 11, 2021**

Shiloh Terrace, located at 6011 Shiloh Road and 6035-6050 Old Redwood Highway in Windsor, requested and is being recommended for a reservation of \$3,838,084 in annual federal tax credits and \$9,807,392 in total state tax credits to finance the new construction of 133 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 CRP Affordable Housing and Community Development CA LLC and will be located in Senate District 2 and Assembly District 2.

The project financing includes state funding from the MIP program of HCD.

**Project Number** CA-21-570

**Project Name** Shiloh Terrace  
Site Address: 6011 Shiloh Rd and 6035-6050 Old Redwood Highway  
Windsor, CA 95492 County: Sonoma  
Census Tract: 1538.09

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$3,838,084	\$9,807,392
Recommended:	\$3,838,084	\$9,807,392

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

#### **Applicant Information**

Applicant: Central Valley Coalition for Affordable Housing  
Contact: Christina Alley  
Address: 3351 "M" Street, Suite #100  
Merced, CA 95348  
Phone: (209) 388-0782  
Email: chris@centralvalleycoalition.com

General Partner(s) or Principal Owner(s): CRP Shiloh Terrace AGP LLC  
Central Valley Coalition for Affordable Housing  
General Partner Type: Joint Venture  
Parent Company(ies): CRP Affordable Housing and Community Dev.  
Central Valley Coalition for Affordable Housing  
Developer: CRP Affordable Housing and Community Dev.  
Bond Issuer: CalHFA  
Investor/Consultant: CREA  
Management Agent: Hyder Property Management Professionals, LLC

**Project Information**

Construction Type:	New Construction
Total # Residential Buildings:	2
Total # of Units:	134
No. / % of Low Income Units:	133 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt

**Information**

Housing Type:	Large Family
Geographic Area:	Northern Region
TCAC Project Analyst:	Nick White

**55-Year Use / Affordability**

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	14	11%
50% AMI:	14	11%
60% AMI:	49	37%
70% AMI:	56	42%

**Unit Mix**

6 2-Bedroom Units
128 3-Bedroom Units
134 Total Units

Unit Type & Number	2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
4 2 Bedrooms	70%	\$1,832
1 2 Bedrooms	50%	\$1,308
1 2 Bedrooms	30%	\$785
52 3 Bedrooms	70%	\$2,117
49 3 Bedrooms	60%	\$1,815
13 3 Bedrooms	50%	\$1,512
13 3 Bedrooms	30%	\$907
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$5,550,000
Construction Costs	\$47,975,449
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,473,772
Soft Cost Contingency	\$609,875
Relocation	\$204,437
Architectural/Engineering	\$1,830,300
Const. Interest, Perm. Financing	\$4,479,596
Legal Fees	\$420,000
Reserves	\$789,488
Other Costs	\$6,731,906
Developer Fee	\$9,627,300
Commercial Costs	\$0
<b>Total</b>	<b>\$80,692,123</b>

**Residential**

Construction Cost Per Square Foot:	\$286
Per Unit Cost:	\$602,180
True Cash Per Unit Cost*:	\$551,384

**Construction Financing**

Source	Amount
Citi Construction Loan (Tax Exempt)	\$42,808,977
Citi Construction Loan (Taxable)	\$22,800,000
Deferred Costs	\$9,659,099
Tax Credit Equity	\$5,424,047

**Permanent Financing**

Source	Amount
CalHFA Permanent Loan	\$28,262,068
CalHFA MIP	\$3,900,000
Deferred Developer Fee	\$6,806,614
Tax Credit Equity	\$41,723,441
<b>TOTAL</b>	<b>\$80,692,123</b>

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

**Determination of Credit Amount(s)**

130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,838,084
Total State Credit:	\$9,807,392
Approved Developer Fee (in Project Cost & Eligible Basis):	\$9,627,300
Investor/Consultant:	CREA
Federal Tax Credit Factor:	\$0.86991
State Tax Credit Factor:	\$0.84992

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**

The project cost is estimated at \$551,384. the applicant noted the costs are attributed to it's location, development impact fees, and offsite costs.

**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.