

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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

Valley Village Apartments, located between 12th & 13th Streets, boarding Fresno St. in Huron, requested and is being recommended for a reservation of \$1,189,913 in annual federal tax credits to finance the new construction of 71 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 Willow Partners LLC and will be located in Senate District 12 and Assembly District 31.

Project Number CA-21-605

Project Name Valley Village Apartments
Site Address: Between 12th & 13th Streets, boarding Fresno St.
Huron, CA 93234 County: Fresno
Census Tract: 78.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,189,913	\$0
Recommended:	\$1,189,913	\$0

Applicant Information

Applicant: WP Valley Village Apartments LP
Contact: Amelia Ross
Address: 310 N Westlake Blvd # 210
Westlake Village, CA 91362
Phone: (805) 379-8555
Email: aross@willowpartners.com

General Partner(s) or Principal Owner(s): Central Valley Coalition for Affordable Housing
WP Valley Village LLC
General Partner Type: Joint Venture
Parent Company(ies): Central Valley Coalition for Affordable Housing
Willow Partners, LLC
Developer: Willow Partners, LLC
Bond Issuer: CSCDA
Investor/Consultant: City Real Estate Advisors, Inc
Management Agent: Buckingham Property Management

Project Information

Construction Type: New Construction
Total # Residential Buildings: 5
Total # of Units: 72
No. / % of Low Income Units: 71 100.00%
Federal Set-Aside Elected: 40%/60% Average Income
Federal Subsidy: Tax-Exempt

Information

Housing Type: Large Family
 Geographic Area: Central Valley 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: 8	11%
50% AMI: 21	30%
60% AMI: 22	31%
70% AMI: 20	28%

Unit Mix

40 2-Bedroom Units
32 3-Bedroom Units
72 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
4 2 Bedrooms	30%	\$471
21 2 Bedrooms	50%	\$785
15 2 Bedrooms	60%	\$942
4 3 Bedrooms	30%	\$543
7 3 Bedrooms	60%	\$1,087
20 3 Bedrooms	70%	\$1,268
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1
Construction Costs	\$16,305,000
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$815,250
Soft Cost Contingency	\$100,000
Relocation	\$0
Architectural/Engineering	\$685,000
Const. Interest, Perm. Financing	\$1,085,153
Legal Fees	\$55,000
Reserves	\$206,985
Other Costs	\$2,327,611
Developer Fee	\$2,000,000
Commercial Costs	\$0
Total	\$23,580,000

Residential

Construction Cost Per Square Foot:	\$185
Per Unit Cost:	\$327,500
True Cash Per Unit Cost*:	\$327,500

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citi Community Capitol	\$11,800,000	Citi Community Capitol	\$4,025,000
Joe Serna Jr. Farmworker HCD	\$8,000,000	Joe Serna Jr. Farmworker HCD	\$10,000,000
Deferred Developer Fee	\$780,000	Tax Credit Equity	\$9,555,000
Tax Credit Equity	\$3,000,000	TOTAL	\$23,580,000

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$22,882,938
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$29,747,819
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,189,913
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,000,000
Investor/Consultant:	City Real Estate Advisors, Inc
Federal Tax Credit Factor:	\$0.80300
State Tax Credit Factor:	\$0.70000

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.