

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**Tax-Exempt Bond Project**  
**August 11, 2021**

Rancho Las Bolsas (Rancho Family), located near the intersection of Ynez Road and Rancho California Road in Temecula, requested and is being recommended for a reservation of \$1,369,812 in annual federal tax credits and \$7,500,000 in total state tax credits to finance the new construction of 54 units of housing serving tenants with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Jamboree Housing Corporation and will be located in Senate District 28 and Assembly District 75.

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.

<b>Project Number</b>	CA-21-621	
<b>Project Name</b>	Rancho Las Bolsas (Rancho Family)	
Site Address:	Near the intersection of Ynez Road and Rancho California Road	
	Temecula, CA 92592	County: Riverside
Census Tract:	432.20	
<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$1,369,812	\$7,500,000
Recommended:	\$1,369,812	\$7,500,000

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

**Applicant Information**

Applicant:	Jamboree Housing Corporation
Contact:	Casey Harris
Address:	17701 Cowan Ave., Suite 200
	Irvine, CA 92614
Phone:	(949) 214-2341
Email:	charris@jamboreehousing.com
General Partner(s) or Principal Owner(s):	Jamboree Housing Corporation
General Partner Type:	Nonprofit
Parent Company(ies):	Jamboree Housing Corporation
Developer:	Jamboree Housing Corporation
Bond Issuer:	California Municipal Finance Authority
Investor/Consultant:	Union Bank
Management Agent:	Quality Management Group

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 3  
 Total # of Units: 55  
 No. / % of Low Income Units: 54 100.00%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers  
 (26 units - 48%)

**Information**

Housing Type: Special Needs  
 Geographic Area: Inland Empire Region  
 TCAC Project Analyst: Tiffani Negrete

**55-Year Use / Affordability**

<b>Aggregate Targeting Number of Units</b>		<b>Percentage of Affordable Units</b>
30% AMI:	26	48%
50% AMI:	6	11%
60% AMI:	22	41%

**Unit Mix**

26 1-Bedroom Units
14 2-Bedroom Units
15 3-Bedroom Units
55 Total Units

<b>Unit Type &amp; Number</b>	<b>2021 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
13 1 Bedroom	30%	\$286
6 2 Bedrooms	30%	\$286
7 3 Bedrooms	30%	\$286
2 1 Bedroom	50%	\$740
2 2 Bedrooms	50%	\$888
2 3 Bedrooms	50%	\$1,027
11 1 Bedroom	60%	\$888
6 2 Bedrooms	60%	\$1,066
5 3 Bedrooms	60%	\$1,233
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,500,000
Construction Costs	\$18,378,018
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$896,212
Soft Cost Contingency	\$269,411
Relocation	\$0
Architectural/Engineering	\$815,025
Const. Interest, Perm. Financing	\$1,868,854
Legal Fees	\$200,000
Reserves	\$173,775
Other Costs	\$2,283,755
Developer Fee	\$2,900,000
Commercial Costs	\$0
<b>Total</b>	<b>\$29,285,050</b>

**Residential**

Construction Cost Per Square Foot:	\$378
Per Unit Cost:	\$532,455
True Cash Per Unit Cost*:	\$512,119

**Construction Financing**

Source	Amount
Union Bank - T.E. Bonds	\$15,300,000
Union Bank	\$7,000,000
Deferred Developer Fee	\$3,292,361
Tax Credit Equity	\$3,692,689

**Permanent Financing**

Source	Amount
Union Bank - T.E. Bonds	\$3,326,308
HCD - NPLH	\$6,376,808
Deferred Developer Fee	\$1,118,491
Tax Credit Equity	\$18,463,443
<b>TOTAL</b>	<b>\$29,285,050</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$26,342,539
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$34,245,301
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,369,812
Total State Credit:	\$7,500,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,900,000
Investor/Consultant:	Union Bank
Federal Tax Credit Factor:	\$0.90991
State Tax Credit Factor:	\$0.79992

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 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 CA-21-621 must be completed as part of the placed in service package.

The proposed rent for 13 one-bedroom units, 6 two-bedroom units and 7 three-bedroom units does not include any utility allowances. The owner will pay for all utilities for these units. The proposed rent for the remaining units includes utility allowances.

Pursuant to TCAC Regulation Section 10326(g)(5), general partners and management companies lacking documented experience with Section 42 requirements using the minimum scoring standards at Section 10325(c)(2)(A) and (B) shall be required to complete training as prescribed by TCAC prior to a project’s placing in service. The required TCAC training for the management companies has been completed and the certification of completion has been received by TCAC.

**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.