

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

Somis Ranch Farmworker Housing Community, located at 2789 Somis Road in Somis, requested and is being recommended for a reservation of \$4,226,073 in annual federal tax credits and \$23,312,920 in total state tax credits to finance the new construction of 198 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 AMCAL Enterprises Inc. and will be located in Senate District 19 and Assembly District 37.

Project Number CA-21-648

Project Name Somis Ranch Farmworker Housing Community
Site Address: 2789 Somis Road
Somis CA, 93066 County: Ventura
Census Tract: 52.02

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$4,226,073	\$23,312,920
Recommended:	\$4,226,073	\$23,312,920

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

Applicant Information

Applicant: AMCAL Muti-Housing Inc.
Contact: Arjun Nagarkatti
Address: 30141 Agoura Road Suite 100
Agoura Hills CA, 91301
Phone: 818-706-0694
Email: arjun@amcalhousing.com

General Partner(s) or Principal Owner(s): Las Palmas Foundation
AMCAL Multi-Housing
General Partner Type: Joint Venture
Parent Company(ies): Las Palmas Housing And Development Corporation
AMCAL
Developer: AMCAL Enterprises Inc.
Bond Issuer: CMFA
Investor/Consultant: Hudson Housing Capital
Management Agent: Cirrus Asset Management, Inc.

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 16
 Total # of Units: 200
 No. / % of Low Income Units: 198 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt

Information

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

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	20	10%
40% AMI:	40	20%
50% AMI:	20	10%
60% AMI:	118	60%

Unit Mix

50 1-Bedroom Units
 100 2-Bedroom Units
50 3-Bedroom Units
 200 Total Units

Unit Type & Number	2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
5 1 Bedroom	30%	\$630
10 1 Bedroom	40%	\$841
5 1 Bedroom	50%	\$1,051
30 1 Bedroom	60%	\$1,261
10 2 Bedrooms	30%	\$756
20 2 Bedrooms	40%	\$1,009
10 2 Bedrooms	50%	\$1,261
58 2 Bedrooms	60%	\$1,513
5 3 Bedrooms	30%	\$874
10 3 Bedrooms	40%	\$1,166
5 3 Bedrooms	50%	\$1,457
30 3 Bedrooms	60%	\$1,749
2 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$12,772,479
Construction Costs	\$51,004,305
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,851,051
Soft Cost Contingency	\$588,221
Relocation	\$0
Architectural/Engineering	\$1,920,000
Const. Interest, Perm. Financing	\$5,636,461
Legal Fees	\$195,000
Reserves	\$805,164
Other Costs	\$4,731,625
Developer Fee	\$10,600,518
Commercial Costs	\$0
Total	\$91,104,824

Residential

Construction Cost Per Square Foot:	\$257
Per Unit Cost:	\$455,524
True Cash Per Unit Cost*:	\$425,022

Construction Financing

Source	Amount
JPMorgan Chase - Tax Exempt	\$48,371,195
JPMorgan Chase Bank - Taxable	\$13,985,346
CMFA Recycled Bonds	\$3,750,000
Deferred Costs	\$825,987
Deferred Developer Fee	\$7,420,362
Tax Credit Equity	\$16,751,934

Permanent Financing

Source	Amount
JPMorgan Chase - Perm Loan	\$29,164,525
Deferred Developer Fee	\$6,100,518
Tax Credit Equity	\$55,839,781
TOTAL	\$91,104,824

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$81,270,642
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$105,651,835
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$4,226,073
Total State Credit:	\$23,312,920
Approved Developer Fee (in Project Cost & Eligible Basis):	\$10,600,518
Investor/Consultant:	Hudson Housing Capital
Federal Tax Credit Factor:	\$0.88000
State Tax Credit Factor:	\$0.80000

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 applicant’s estimate of contractor profit, overhead and general requirement costs exceeds TCAC limit of 14%. The applicant is cautioned that at final review, prior to the issuance of the IRS 8609 forms, any costs or eligible basis that exceeds the limits will not be allowed.

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.