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

Santa Fe Commons I, located at 537 N. West Street in Tulare, requested and is being recommended for a reservation of $1,121,095 in annual federal tax credits and $8,408,212 in total state tax credits to finance the new construction of 80 units of housing serving large families with rents affordable to households earning 20-60% of area median income (AMI). The project will be developed by Self-Help Enterprises and will be located in Senate District 16 and Assembly District 26.

The project financing includes state funding from the NPLH and Joe Serna, Jr. FWHG program(s) of HCD.

Project Number CA-21-651

Project Name Santa Fe Commons I
Site Address: 537 N. West St.
Tulare, CA 93274 County: Tulare
Census Tract: 22.03

Tax Credit Amounts	**Federal/Annual**	**State/Total** *
Requested:	$1,121,095	$8,408,212
Recommended:	$1,121,095	$8,408,212

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

Applicant Information

Applicant:	Self-Help Enterprises
Contact:	Betsy McGovern-Garcia
Address:	PO Box 6520 Visalia, CA 93290
Phone:	559-802-1653
Email:	betsyg@selfhelpenterprises.org

General Partner(s) or Principal Owner(s):	Santa Fe Commons I LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Santa Fe Commons I LLC
Developer:	Self-Help Enterprises
Bond Issuer:	California Municipal Finance Authority
Investor/Consultant:	Community Economics, Inc.
Management Agent:	A.W.I. Property Management

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	9	
Total # of Units:	81	
No. / % of Low Income Units:	80	100.00%
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt	

Information

Housing Type:	Large Family
Geographic Area:	Central Valley Region
TCAC Project Analyst:	Franklin Cui

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	31	39%
45% AMI:	18	23%
50% AMI:	19	24%
60% AMI:	12	15%

Unit Mix

36	1-Bedroom Units
24	2-Bedroom Units
21	3-Bedroom Units
81	Total Units

Unit Type & Number		2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
12	1 Bedroom	20%	$196
9	1 Bedroom	30%	$196
1	1 Bedroom	30%	$392
6	1 Bedroom	45%	$588
5	1 Bedroom	50%	$653
3	1 Bedroom	60%	$784
2	2 Bedrooms	20%	$235
2	2 Bedrooms	30%	$471
7	2 Bedrooms	45%	$706
8	2 Bedrooms	50%	$785
5	2 Bedrooms	60%	$908
2	3 Bedrooms	20%	$271
3	3 Bedrooms	30%	$543
5	3 Bedrooms	45%	$815
6	3 Bedrooms	50%	$906
4	3 Bedrooms	60%	$1,087
1	3 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application

Land and Acquisition	$1,058,800
Construction Costs	$19,666,250
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$983,313
Soft Cost Contingency	$220,000
Relocation	$0
Architectural/Engineering	$600,000
Const. Interest, Perm. Financing	$1,568,216
Legal Fees	$15,000
Reserves	$704,863
Other Costs	$1,487,334
Developer Fee	$3,500,000
Commercial Costs	$0
Total	**$29,803,777**

Residential

Construction Cost Per Square Foot:	$267
Per Unit Cost:	$367,948
True Cash Per Unit Cost*:	$350,162

Construction Financing

Source	Amount
US Bank	$15,443,215
US Bank	$6,513,201
City of Tulare LMI Asset Fund	$1,000,000
City of Tulare PLHA	$318,433
Neighborworks	$1,100,000
Tax Credit Equity	$1,704,064

Permanent Financing

Source	Amount
US Bank	$495,000
HCD - NPLH	$4,934,239
HCD - Joe Serna	$3,224,828
City of Tulare LMI Asset Fund	$1,000,000
City of Tulare PLHA	$318,433
Neighborworks	$1,100,000
Deferred Developer Fee	$1,440,633
General Partner Equity	$400,000
Tax Credit Equity	$16,890,644
TOTAL	**$29,803,777**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$28,027,374
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	$28,027,374
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$1,121,095
Total State Credit:	$8,408,212
Approved Developer Fee (in Project Cost & Eligible Basis):	$3,500,000
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	$0.90662
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 project has an NPLH capitalized operating subsidy for 20 years that covers 25 of the large family units reserved for tenants at or below 30% AMI.

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.