

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

Lofts at Fort Visalia, located at 300 E. Oak Ave in Visalia, requested \$1,292,085 in annual federal tax credits and \$7,454,338 in total state tax credits but is being recommended for a reservation of \$1,375,285 in annual federal tax credits and \$7,934,338 in total state tax credits to finance the new construction of 79 units of housing serving special needs tenants 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 loan and COSR of HCD.

<b>Project Number</b>	CA-21-653	
<b>Project Name</b>	Lofts at Fort Visalia	
Site Address:	300 E. Oak Ave	
	Visalia, CA 93291	County: Tulare
Census Tract:	12.00	
<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$1,292,085	\$7,454,338
Recommended:	\$1,375,285	\$7,934,338

\* 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:	8445 W. Elowin Court
	Visalia, CA 93291
Phone:	559-802-1653
Email:	BetsyG@selfhelpenterprises.org
General Partner(s) or Principal Owner(s):	The Lofts at Fort Visalia LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Self-Help Enterprises
Developer:	Self-Help Enterprises
Bond Issuer:	California Municipal Finance Authority
Investor/Consultant:	California Housing Partnership Corporation
Management Agent:	AWI Management Corporation

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 1  
 Total # of Units: 80  
 No. / % of Low Income Units: 79 100.00%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt / HOME

**Information**

Housing Type: Special Needs  
 Geographic Area: Central Valley Region  
 TCAC Project Analyst: Jonghyun(Tommy), Shim

**55-Year Use / Affordability**

<b>Aggregate Targeting Number of Units</b>		<b>Percentage of Affordable Units</b>
30% AMI:	34	43%
40% AMI:	6	8%
50% AMI:	10	13%
60% AMI:	29	37%

**Unit Mix**

4 SRO/Studio Units
52 1-Bedroom Units
24 2-Bedroom Units
80 Total Units

<b>Unit Type &amp; Number</b>	<b>2021 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
10 1 Bedroom	20%	\$261
14 1 Bedroom	30%	\$392
5 2 Bedrooms	30%	\$471
1 SRO/Studio	50%	\$610
1 1 Bedroom	50%	\$653
8 2 Bedrooms	50%	\$785
2 SRO/Studio	60%	\$732
17 1 Bedroom	60%	\$784
10 2 Bedrooms	60%	\$830
5 1 Bedroom	30%	\$392
1 SRO/Studio	40%	\$488
5 1 Bedroom	40%	\$522
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,200,000
Construction Costs	\$19,390,000
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,019,500
Soft Cost Contingency	\$200,000
Relocation	\$0
Architectural/Engineering	\$635,000
Const. Interest, Perm. Financing	\$1,495,566
Legal Fees	\$130,000
Reserves	\$659,446
Other Costs	\$3,707,239
Developer Fee	\$2,371,204
Commercial Costs	\$0
<b>Total</b>	<b>\$31,807,955</b>

**Residential**

Construction Cost Per Square Foot:	\$249
Per Unit Cost:	\$397,599
True Cash Per Unit Cost*:	\$392,293

**Construction Financing**

Source	Amount
US Bank Tax-exempt	\$15,206,286
US Bank Taxable	\$6,502,379
HOME Loan- City of Visalia	\$2,412,196
PLHA Tulare County	\$583,584
Impact Fee Waiver	\$286,317
Deferred Costs	\$4,937,368
Deferred Developer Fee	\$138,221
Net Equity Proceeds	\$1,741,604

**Permanent Financing**

Source	Amount
HCD NPLH	\$6,966,490
NPLH COSR	\$2,319,586
HOME Loan- City of Visalia	\$2,680,218
PLHA Tulare County	\$583,584
Impact Fee Waiver	\$286,317
Deferred Developer Fee	\$138,221
Tax Credit Equity	\$18,833,539
<b>TOTAL</b>	<b>\$31,807,955</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$24,847,792
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$32,302,130
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,375,285
Total State Credit:	\$7,454,338
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,371,204
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.89880
State Tax Credit Factor:	\$0.96861

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.