

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2021 Second Round

October 20, 2021

Westview Village II, located at 232 W. Flint Street and 270 W. Warner Street in Ventura, requested and is being recommended for a reservation of \$2,022,980 in annual federal tax credits to finance the new construction of 49 units of housing serving seniors with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Homecomings, Inc. and will be located in Senate District 19 and Assembly District 37.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers and HCD IIG funds.

Project Number CA-21-117

Project Name Westview Village II
Site Address: 232 W. Flint Street and 270 W. Warner Street
Ventura, CA 93001 County: Ventura
Census Tract: 23.000

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,022,980	\$0
Recommended:	\$2,022,980	\$0

Applicant Information

Applicant: Westview Village II LP
Contact: Denise M. Wise
Address: 995 Riverside Street
Ventura, CA 93001
Phone: 805-648-5008
Email: dwise@hacityventura.org

General Partner(s) / Principal Owner(s): Westview Village II LLC
General Partner Type: Nonprofit
Parent Company(ies): Homecomings, Inc.
Developer: Homecomings, Inc.
Investor/Consultant: California Housing Partnership
Management Agent(s): Housing Authority of the City of San Buenaventura

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 50
No. & % of Tax Credit Units: 49 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Home/ CDBG (27 Units - 52%)

Information

Set-Aside: N/A
Housing Type: Seniors
Geographic Area: Central Coast Region
TCAC Project Analyst: Nick White

55-Year Use / Affordability

Aggregate Targeting Number of Units	Percentage of Affordable Units	
At or Below 30% AMI:	10	20%
At or Below 45% AMI:	8	16%
At or Below 50% AMI:	17	34%
At or Below 60% AMI:	14	28%

Unit Mix

44 1-Bedroom Units
6 2-Bedroom Units
50 Total Units

Unit Type & Number	2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
5 1 Bedroom	30%	\$631
5 1 Bedroom	45%	\$685
11 1 Bedroom	50%	\$685
6 1 Bedroom	60%	\$685
4 1 Bedroom	30%	\$630
1 2 Bedrooms	30%	\$756
3 1 Bedroom	45%	\$945
6 1 Bedroom	50%	\$1,051
4 1 Bedroom	60%	\$1,261
4 2 Bedrooms	60%	\$1,513
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,566,457
Construction Costs	\$21,653,859
Rehabilitation Costs	\$0
Construction Contingency	\$1,470,896
Relocation	\$0
Architectural/Engineering	\$1,253,280
Const. Interest, Perm. Financing	\$2,312,800
Legal Fees	\$640,661
Reserves	\$151,575
Other Costs	\$1,871,590
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$35,121,118

Residential

Construction Cost Per Square Foot:	\$464
Per Unit Cost:	\$702,422
True Cash Per Unit Cost*:	\$699,271

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Wells Fargo	\$24,698,185	CCRC	\$4,341,500
Seller Note	\$1,614,460	Seller Note	\$1,614,460
HACSB - Development Loan	\$2,000,000	HACSB - Development Loan	\$2,000,000
County of Ventura HOME	\$660,011	County of Ventura HOME	\$660,011
County of Ventura CDBG-DR	\$805,549	County of Ventura CDBG-DR	\$805,549
HCD IIG	\$2,492,956	HCD IIG	\$2,492,956
Costs Deferred Until Conversion	\$921,423	City of Ventura CDBG	\$4,529,506
Deferred Developer Fee	\$157,578	Deferred Developer Fee	\$157,578
Tax Credit Equity	\$1,770,956	Tax Credit Equity	\$18,519,558
		TOTAL	\$35,121,118

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$17,290,430
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$22,477,559
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,022,980
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.91546

The “as if vacant” land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Disaster Credit Tie Breaker Information

First:	Seniors
Second:	64.049%

Significant Information / Additional Conditions:

Staff noted a per-unit development cost of \$699,271. The applicant noted that the high per unit cost is attributed to the relocation plan within the application.

Resyndication and Resyndication Transfer Event: None

Local Reviewing Agency

The Local Reviewing Agency, City of San Buenaventura, Community Development Department, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Other Services Specialist, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.