

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2021 Second Round

October 20, 2021

San Jacinto Manor, located at 1762 S. Santa Fe Ave in San Jacinto, requested and is being recommended for a reservation of \$593,242 in annual federal tax credits to finance the acquisition and rehabilitation of 65 units of housing serving seniors with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Community Preservation Partners and is located in Senate District 23 and Assembly District 42.

The project will be receiving rental assistance in the form of USDA 521 Rental Assistance.

Project Number CA-21-170

Project Name San Jacinto Manor
Site Address: 1762 S Santa Fe Ave
San Jacinto CA 92583 County: Riverside
Census Tract: 435.070

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$593,242	\$0
Recommended:	\$593,242	\$0

Applicant Information

Applicant: San Jacinto Manor, LP
Contact: Ronald D. Bettencourt
Address: 1010 Raquet Club Dr., Suite 106
Auburn, CA 95603
Phone: 805.439.0328
Email: whitecapcoastal@sbcglobal.net

General Partner(s) / Principal Owner(s): Bettencourt Properties, Inc.
The Beneficial Housing Foundation
General Partner Type: Joint Venture
Parent Company(ies): Bettencourt Properties, Inc.
The Beneficial Housing Foundation
Developer: Community Preservation Partners, LLC
Investor/Consultant: WNC & Associates, Inc.
Management Agent(s): AWI Management Corporation

Project Information

Construction Type: Acquisition & Rehabilitation
Total # Residential Buildings: 16
Total # of Units: 66
No. & % of Tax Credit Units: 65 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: USDA 515/ USDA 521 (52 units - 78%)

Information

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

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 7	10%
At or Below 40% AMI: 13	20%
At or Below 50% AMI: 20	30%
At or Below 60% AMI: 25	76%

Unit Mix

60 1-Bedroom Units
<u>6 2-Bedroom Units</u>
66 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 1 Bedroom	30%	\$444
1 2 Bedrooms	30%	\$533
13 1 Bedroom	40%	\$592
20 1 Bedroom	50%	\$740
21 1 Bedroom	60%	\$888
4 2 Bedrooms	60%	\$1,066
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,307,322
Construction Costs	\$0
Rehabilitation Costs	\$4,578,900
Construction Contingency	\$441,000
Relocation	\$99,500
Architectural/Engineering	\$160,000
Const. Interest, Perm. Financing	\$629,887
Legal Fees	\$175,000
Reserves	\$347,500
Other Costs	\$216,873
Developer Fee	\$1,096,619
Commercial Costs	\$0
Total	\$12,052,601

Residential

Construction Cost Per Square Foot:	\$102
Per Unit Cost:	\$182,615
True Cash Per Unit Cost*:	\$182,148

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Bonneville Multifamily Capital	\$8,195,000	Bonneville USDA 538	\$4,682,000
USDA 515 Loan	\$1,670,626	USDA 515 Loan	\$1,670,626
Replacement Reserves	\$287,322	Replacement Reserves	\$287,322
Income from Operations	\$339,239	Income from Operations	\$339,239
Deferred Developer Fee	\$636,348	Deferred Developer Fee	\$30,861
Tax Credit Equity	\$924,066	Tax Credit Equity	\$5,042,553
		TOTAL	\$12,052,601

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$5,066,050
130% High Cost Adjustment:	Yes
Requested Eligible Basis:	\$52,800
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$6,585,866
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$52,800
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$591,129
Maximum Annual Federal Credit, Acquisition:	\$2,112
Total Maximum Annual Federal Credit:	\$593,242
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,096,619
Investor/Consultant:	WNC & Associates, Inc.
Federal Tax Credit Factor:	\$0.85000

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.

Tie-Breaker Information

First:	Seniors
Final:	50.045%

Significant Information / Additional Conditions: None

Resyndication and Resyndication Transfer Event: None

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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 station or public bus stop	4	4	4
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
In-unit high speed internet service	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
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
Smoke Free Residence	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.