

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 Second Round**

**October 20, 2021**

People's Place, located at 710 West Harvard Blvd. in Santa Paula, requested and is being recommended for a reservation of \$2,433,209 in annual federal tax credits to finance the new construction of 68 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 People's Self-Help Housing Corporation and will be located in Senate District 19 and Assembly District 37.

The project financing includes state funding from the FWHG (Joe Serna) program of HCD.

**Project Number** CA-21-097

**Project Name** People's Place  
**Site Address:** 710 West Harvard Blvd.  
Santa Paula, CA 93060 County: Ventura  
**Census Tract:** 0007.01

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,433,209	\$0
Recommended:	\$2,433,209	\$0

**Applicant Information**

**Applicant:** People's Self-Help Housing Corporation  
**Contact:** Angela Heyward  
**Address:** 3533 Empleo Street  
San Luis Obispo, CA 93401  
**Phone:** 805-540-2642  
**Email:** angelah@pshhc.org

**General Partner(s) / Principal Owner(s):** People's Self-Help Housing corporation  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** People's Self-Help Housing corporation  
**Developer:** People's Self-Help Housing Corporation  
**Investor/Consultant:** Community Economics, Inc.  
**Management Agent(s):** People's Self-Help Housing Corporation

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Building** 2  
**Total # of Units:** 69  
**No. & % of Tax Credit Unit:** 68 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** Community Development Block Grant - Disaster Recovering (CDBG - DR) & Home

**Information**

Set-Aside: Rural apportionment (HOME)  
 Housing Type: Large Family  
 Geographic Area: N/A  
 TCAC Project Analyst: Jonghyun(Tommy), Shim

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI:	11 15%
At or Below 45% AMI:	11 15%
At or Below 50% AMI:	24 35%
At or Below 60% AMI:	22 30%

**Unit Mix**

22 1-Bedroom Units
29 2-Bedroom Units
18 3-BedroomUnits
69 Total Units

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 1 Bedroom	30%	\$630
2 1 Bedroom	45%	\$946
1 1 Bedroom	45%	\$946
9 1 Bedroom	50%	\$1,051
7 1 Bedroom	60%	\$1,261
5 2 Bedrooms	30%	\$756
2 2 Bedrooms	45%	\$1,135
2 2 Bedrooms	45%	\$1,135
10 2 Bedrooms	50%	\$1,261
10 2 Bedrooms	60%	\$1,349
3 3 Bedrooms	30%	\$874
4 3 Bedrooms	45%	\$1,311
5 3 Bedrooms	50%	\$1,457
5 3 Bedrooms	60%	\$1,598
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,424,568
Construction Costs	\$24,317,586
Rehabilitation Costs	\$0
Construction Contingency	\$1,273,679
Relocation	\$0
Architectural/Engineering	\$939,805
Const. Interest, Perm. Financing	\$1,784,752
Legal Fees	\$75,000
Reserves	\$198,124
Other Costs	\$2,224,342
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$35,437,856</b>

## Residential

Construction Cost Per Square Foot:	\$364
Per Unit Cost:	\$513,592
True Cash Per Unit Cost*:	\$502,273

### Construction Financing

Source	Amount
JP Morgan Chase Bank, N.A.	\$24,918,655
HCD Joe Serna	\$3,842,192
County of Ventura HOME	\$1,080,000
County of Ventura Farmworker	\$380,000
CDBG-DR	\$1,000,000
GP Equity	\$1,000
Tax Credit Equity	\$2,262,885

### Permanent Financing

Source	Amount
JP Morgan Chase Bank, N.A.	\$5,844,800
HCD Joe Serna	\$3,842,192
County of Ventura HOME	\$1,080,000
County of Ventura Farmworker	\$380,000
CDBG-DR	\$1,000,000
Deferred Developer fee	\$781,017
GP Equity	\$1,000
Tax Credit Equity	\$22,508,847
<b>TOTAL</b>	<b>\$35,437,856</b>

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

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$20,796,661
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,035,659
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,433,209
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	\$0.92507

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:	<b>Large Family</b>
Final:	<b>39.991%</b>

### Significant Information / Additional Conditions

Staff noted a per unit development cost of \$513,592. The applicant noted that the per unit cost is attributed to prevailing wage and demolition. The project is subject to infrastructure requirements from the City of Santa Paula including a backup generator for the storm drain.

The applicant has requested the use of a CUAC utility allowance. TCAC staff is in the process of reviewing the CUAC documentation for this existing project. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

**Resyndication and Resyndication Transfer Event:** None.

**Local Reviewing Agency**

The Local Reviewing Agency, the City of Santa Paula, 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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 3/4 mile of a public elementary school	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Other Services Specialist, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**