



California Tax Credit Allocation Committee

**CTCAC
Committee Meeting
Wednesday, November 17, 2021
11:15 AM or Upon Adjournment
of the CDLAC Meeting**



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 311
Sacramento, CA 95814
p (916) 654-6340
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www.treasurer.ca.gov/ctcac

MEETING NOTICE

AGENDA

MEETING DATE:
November 17, 2021

TIME:
**11:15 AM or Upon Adjournment
of the CDLAC Meeting**

LOCATION:
**915 Capitol Mall, Room 587
Sacramento, CA 95814**

Public Participation Call-In Number*
(888) 557-8511
Participant Code:
5651115

The Committee may take action on any item.
Items may be taken out of order.

There will be an opportunity for public comment at the end of each item, prior to any action.

1. Call to Order and Roll Call

Action Item: **2. Approval of the Minutes of the October 20, 2021 Meeting**

3. Executive Director's Report

Presented by: Nancee Robles

Action Item: **4. Recommendation for Reservation of 2021 Second Round Federal Nine Percent (9%) Low Income Housing Tax Credits (LIHTCs)**

Presented by: Anthony Zeto

<u>Project #</u>	<u>Project Name</u>
CA-21-100	The Arthur at Blackstone
CA-21-177	Heritage Square South

BOARD MEMBERS (voting)
FIONA MA, CPA, CHAIR
State Treasurer

BETTY YEE
State Controller

KEELY MARTIN BOSLER
Director of Finance

GUSTAVO VELASQUEZ
Director of HCD

TIENA JOHNSON HALL
Executive Director of CalHFA

DIRECTOR
NANCEE ROBLES
Executive Director



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Action Item:

- 5. Recommendation of a Resolution establishing a Waiting List of pending applications for a Reservation of 2021 Second Round Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs), provided that credit remains available and such applications are complete, eligible and financially feasible**

Presented by: Anthony Zeto

A preliminary waiting list of pending applications can be viewed on the CTCAC website:

<https://www.treasurer.ca.gov/ctcac/2021/2021-proposed-9percent.pdf>

6. Public Comment

7. Adjournment

FOR ADDITIONAL INFORMATION

Nancee Robles, Executive Director, CTCAC
915 Capitol Mall, Room 485, Sacramento, CA 95814
(916) 654-6340

This notice may also be found on the following Internet site:

www.treasurer.ca.gov/ctcac

* Interested members of the public may use this number to call in to listen to and/or comment on items before the California Tax Credit Allocation Committee. Additional instructions will be provided to callers once they call the indicated number. This call-in number is provided as an option for public participation but the Committee is not responsible for unforeseen technical difficulties that may occur. The Committee is under no obligation to postpone or delay its meeting in the event such technical difficulties occur during or before the meeting.

The California Tax Credit Allocation Committee (CTCAC) complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities, and providing this notice and information given to the members of the CTCAC in appropriate alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, you may contact Tracy Sullivan of CTCAC no later than five calendar days before the meeting at (916) 653-1065 and Telecommunication Device for the Deaf (TDD) at (916) 654-9922.



California Tax Credit Allocation Committee

AGENDA ITEM 2

**Approval of the Minutes
of the
October 20, 2021 Meeting**

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Minutes of the October 20, 2021 Meeting

1. Call to Order and Roll Call

State Treasurer Fiona Ma chaired the meeting of the California Tax Credit Allocation Committee (CTCAC). Treasurer Ma called the meeting to order at 11:03 a.m. Also, present Anthony Sertich for State Controller Betty Yee; Gayle Miller for Department of Finance (DOF) Director Keely Martin Bosler; California Housing Finance Agency (CalHFA) Executive Director Tiena Johnson Hall and California Department of Housing and Community Development (HCD) Director Gustavo Velasquez.

County Representative Terra Lawson-Remer and City Representative Vivian Moreno were absent.

2. Approval of the Minutes of the September 29, 2021 Meeting

MOTION: Mr. Sertich moved to approve the September 29, 2021 Meeting Minutes. Mr. Velasquez seconded, and the motion passed unanimously via a roll call vote.

3. Executive Director's Report

CTCAC Executive Director, Nancee Robles stated CTCAC's Compliance Section was back in the field performing audits. In legislative news, she mentioned that Assembly Bill (AB) 447 sponsored by Assembly member Tim Grayson passed. Ms. Robles explained this act amends Section 8869.80 of the Government Code, and amends Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code to resolve some technical issues in the Low Income Housing Tax Credit statute.

In short, AB 447 resolved three things.

1. Adds missing programs with local funds to the LIHTC statutes to facilitate the preservation of all at-risk properties by allowing CTCAC to fund currently omitted at-risk properties and making these developments eligible for CTCAC's at-risk set aside,
2. Clarifies that a project remains at-risk even if an HCD regulatory agreement is recorded under the Preservation Notice Law, and
3. Clarifies that adaptive reuse projects are eligible for the new construction state credits.

On behalf of CTCAC, she thanked Assembly member Grayson for his diligence and concern to update this State Law and Governor Newsom for signing it.

In other news, Bulletin No. 2021-44 from the Internal Revenue Service (IRS) was released on October 18, 2021 providing the National Pool credit amounts for each state. Ms. Robles explained the National Pool is unused 9% credits from all states from the previous year

divided among the states that qualify for the National Pool. She stated California received \$1,357,757 in 9% federal credits, which is a significant increase from \$471,171 in 2020 allowing CTCAC to reach further down the waiting list to fund an additional 9% project or two.

- End of Executive Director's Report

Treasurer Ma requested that staff delineate which projects will be funded with the National Pool credits.

Ms. Miller joined the meeting at 11:11am and added her vote to the meeting minutes.

4. Discussion and Consideration of appeals if filed under CTCAC Regulation Section 10330(b)(1), and if appeal is granted in its entirety, a Reservation of 2021 Second Round Consolidated Appropriations Act ("CAA") Federal Nine Percent (9%) Low Income Housing Tax Credits (LIHTCs).

Ms. Robles stated staff anticipated an appeal may be submitted to the Committee. She explained no appeal was received and therefore Agenda Item 4 is skipped.

5. Recommendation for Reservation of 2021 Second Round Consolidated Appropriations Act ("CAA") Federal Nine Percent (9%) Low Income Housing Tax Credits (LIHTCs).

Deputy Director, Anthony Zeto stated staff was recommending one additional project in Fresno County for the Consolidated Appropriations Act, 2021 Federal 9% Credit (Disaster Credits). He explained that this project is recommended due to another project withdrawing their application a day before the September 29, 2021 meeting. Mr. Zeto stated the withdrawal allowed for the remaining credits in Fresno County to be recommended to Clinton Avenue Apartments (CA-21-133), which meets all program and regulatory requirements.

MOTION: Mr. Sertich moved to approve the project. Ms. Miller seconded, and the motion passed unanimously via a roll call vote.

6. Discussion and Consideration of appeals if filed under CTCAC Regulation Section 10330(b)(1), and if appeal is granted in its entirety, a Reservation of 2021 Second Round Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs). See Exhibit A for a list of the appealing projects.

Mr. Zeto pointed the Committee to Exhibit A of the agenda, which summarized the outcomes of all possible appeals received. He provided updates to each appeal noted on Exhibit A as stated below:

1. Eureka 7th & Myrtle Affordable Housing (CA-21-070) – currently on the preliminary recommendation list in the Rural set aside and no longer pursuing their appeal any further because the appeal has no impact on their status on the list.

2. The Laurel (CA-21-115) – currently on the preliminary recommendation list in the Balance of Los Angeles County. No Committee appeal was received as it has no impact on their status on the list.
3. Heritage Square South (CA-21-177) – the appeal is process is still pending and staff is recommending this appeal, if submitted to the Committee, be considered at the next meeting. If the appeal is granted, the project would replace The Laurel (CA-21-115) as the final project in the Balance of Los Angeles County. Staff recommended considering the final recommended project in the Balance of Los Angeles County to the next meeting.
4. Sun Lodge (CA-21-101) – currently on the preliminary recommendation list. No Committee appeal was received as it has no impact on their status on the list. Staff determined that the Arthur at Blackstone (CA-21-100), not on the preliminary recommendation list, ranked higher than Sun Lodge (CA-21-101) and would replace that project as the final project in the Central Valley region. Staff recommended considering the final recommended project in the Central Valley region to the next meeting.
5. San Jacinto Manor (CA-21-170) – received an updated tie breaker score and recommended for approval in the Inland Empire region.
6. Tahiti Apartment Homes (CA-21-096) – Their appeal was granted at the staff level and therefore recommended for approval in place of Anaheim Midway (CA-21-107) in Orange County.
7. Bay Oaks Apartments (CA-21-150) – currently on the preliminary recommendation list in the South and West Bay region. No Committee appeal was received as it has no impact on their status on the list.
8. Westview Village II (CA-21-117) – Their appeal was granted at the staff level and therefore recommended for approval in place of Cypress & 7th (CA-21-076) in the Central Coast region.
9. Vivalon Healthy Aging Campus (CA-21-164) – currently on the preliminary recommendation list in the Northern region. No Committee appeal was received as it has no impact on their status on the list.

In summary, Mr. Zeto stated the following three projects meet all program requirements and recommended to the Committee for approval:

1. San Jacinto Manor (CA-21-170)
2. Tahiti Apartment Homes (CA-21-096)
3. Westview Village II (CA-21-117)

MOTION: Mr. Sertich moved to approve the three projects. Ms. Miller seconded, and the motion passed unanimously via a roll call vote.

7. Recommendation for Reservation of 2021 Second Round Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs).

Mr. Zeto stated staff recommends the projects on the preliminary recommendation list with exception of Anaheim Midway (CA-21-107), Cypress and 7th (CA-21-076), The Laurel (CA-21-115), and Sun Lodge (CA-21-101). He stated the projects on the preliminary recommendation list met all program requirements. In addition, Mr. Zeto stated the final recommended projects in both the Balance of Los Angeles County and the Central Valley Region will be considered at the next meeting.

MOTION: Mr. Sertich moved to approve the preliminary recommended list minus the projects listed by Mr. Zeto. Mr. Velasquez seconded, and the motion passed unanimously via a roll call vote.

8. Recommendation of a Resolution establishing a Waiting List of pending applications for a Reservation of 2021 Second Round Consolidated Appropriations Act (“CAA”) Federal Nine Percent (9%) Low Income Housing Tax Credits (LIHTCs), provided that credit remains available and such applications are complete, eligible and financially feasible.

Mr. Zeto stated \$7.9 million Disaster Credits remained following the Second Round. He explained the remaining \$7.9 million will fund three projects on the proposed waiting list, which include one remaining project in Butte County and the two highest ranking projects in Santa Cruz County. Mr. Zeto recommended the resolution to the Committee for approval to establish a waiting list and provide the Executive Director delegated authority to award these projects from the waiting list.

MOTION: Ms. Miller moved to approve the waiting list. Mr. Sertich seconded, and the motion passed unanimously via a roll call vote.

Treasurer Ma asked the Committee for input on who to direct letters regarding Disaster Credits to since the program has been so successful over the last two years. Congressman Mike Thompson previously spearheaded the Disaster Credits last year but unsure of who will be taking over. Treasurer Ma stated she would provide an update at a future meeting so the Committee members can weigh in as well.

9. Recommendation of a Resolution establishing a Waiting List of pending applications for a Reservation of 2021 Second Round Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs), provided that credit remains available and such applications are complete, eligible and financially feasible.

Mr. Zeto requested consideration of this item be held off until the next meeting. He explained the appeals granted affected the placement of the projects on the list. In addition, Mr. Zeto noted Santa Cruz County and the Inland Empire region would no longer be on the waiting list since credits no longer remain in those regions.

The agenda item will be considered at the next meeting.

10. Discussion of Direction for Working Group in Regulation Development.

Mr. Zeto stated the item was placed on the agenda at the request of Mr. Sertich. He added that the working group was still working on their recommendations. Mr. Zeto stated that based on their conversations, there will be no major regulation changes recommended for CTCAC. He explained that staff plans to move forward with clarifying and minor clean up changes.

Mr. Sertich thanked Mr. Zeto for adding the item and stated that staff has a good opportunity in the coming year to look at the 9% regulations and bring efficiency into the scoring and to help leverage other state and local resources. He recommended staff to start thinking through more flexible and creative ways to use the 9% credits in the future.

Ms. Miller agreed and stated it would be beneficial to start gathering the required data needed to make such changes in calendar year 2022.

11. Discussion of Tax-Exempt Bond Financed Projects (4% Projects) Requesting Limited State Tax Credits.

Mr. Zeto stated this item was a follow up item to the discussion that took place at the California Debt Limit Allocation Committee (CDLAC) meeting regarding how projects that rank high on CDLAC's list would be eligible to receive bond allocations but not state tax credits since there was a limited amount. He added that the question of which projects would receive the state tax credits. Mr. Zeto referenced a proposal mentioned at the last meeting and opened the floor to the Committee members for comments.

Ms. Johnson Hall asked if staff had any recommendations on this topic.

Mr. Zeto stated that the highest ranked project is a reasonable solution in the short term for the current round. He also summarized the proposal previously discussed where projects are awarded first in the pools and set asides with the remainder going to the highest ranking projects without regard to geographic region until the bonds for a region have been exhausted. Mr. Zeto stated staff is in favor of the highest ranked project method and asked if there were additional comments.

Mr. Sertich agreed with Mr. Zeto and stated a clear process needs to be in place when the state tax credits are oversubscribed. In the short term, he agreed with the suggestion to go with the CDLAC scoring and allocation process. Mr. Sertich agreed going through the pools and set asides, and then go to all projects within the geographic regions based on the highest score. He added that the projects without state tax credits could receive a bond allocation and given the awarding of the 4% tax credits is ministerial as there is no cap, he would leave that up to staff to decide how to deal with those projects on the 4% tax credit side.

Treasurer Ma stated her concern with providing applicants false hope regarding their bond and tax credit awards.

Mr. Sertich stated that the Committee should consider whether dividing the state tax credits by round would be a more equitable process for projects applying later in the year.

Ms. Miller stated she prefers to have the rounds divided over a longer periods to encourage emerging developers to participate in the process. She wanted to confirm with CalHFA and HCD if the timing would be consistent with their programs as well.

Mr. Velasquez stated he agreed with Ms. Miller's approach to allow the state credits to spread among the various HCD programs throughout the year and benefit the HCD subsidies.

Ms. Hall agreed with Ms. Miller's comment as well.

There was a public comment.

Darren Bobrowsky with USA Properties Fund stated he agreed with staff's recommendation of following the highest scoring projects in the geographic region and funding down the list. In addition, he recommended that in terms of financial feasibility, the 4% credits should only be awarded if the applicant can show that additional developer fee can be deferred in order to cover the gap of lost state tax credit equity in the project. In terms of allocating over the three rounds, Mr. Bobrowsky expressed support to spread the state tax credits throughout the year. He also noted that based on a preliminary survey of the list, he believes there could be approximately \$200 to \$300 million in bond allocations that could be returned, which could either go to a waiting list or carryforward allocation. Mr. Bobrowsky suggested for next year staff should work on retaining geographic parity because there will be regions that will not get their intended percentages as set forth in the regulations since projects will be returning bond allocations. He suggested the Committee align the state tax credits with the bonds so the geographic regions are treated as they were intended in the regulations.

Kasey Burke with Meta Housing commented on the issue with the oversubscription of state tax credits. He agreed with Mr. Bobrowsky and stated that it would lead to a permanent redistribution of credits away from the geographic areas and a delay in the bonds being funded. Mr. Burke suggested that maybe the Committee could forward allocate state tax credits from 2022. Based on an analysis conducted by Kingdom Development, he believed it would be around \$100 million based on self-scores.

Treasurer Ma thanked Mr. Burke for the comment and stated staff will look into the issue of forward funding.

William Leach with Kingdom Development wanted to confirm how the tax credits were going to be awarded to the pools and set aside, then the geographic regions by way of highest ranked project.

Mr. Zeto stated while the guidance was not definitive, the Committee members seemed supportive of the proposal to select projects based on highest rank first in the pools and set asides and then to all projects in the geographic regions based on highest rank.

Treasurer Ma asked if the Committee wanted to formalize it in a vote that would be effective only for the third round of 2021.

Mr. Sertich stated he was supportive of a vote only for the third round of 2021.

Ms. Miller asked Ms. Robles if taking a vote now would aid the CTCAC program or if they should wait.

Ms. Robles stated that it would make sense to take a vote now.

There was discussion among the Committee members and CTCAC staff on the terms of the motion.

MOTION: Mr. Sertich moved to award the CTCAC state tax credits in the CDLAC waterfall order based on the CDLAC scoring with the regional allocations ranked as one group. Ms. Miller seconded and the motion passed unanimously via a roll call vote.

12. Public Comment

None.

13. Adjournment

Treasurer Ma adjourned the meeting at 11:50 a.m.



California Tax Credit Allocation Committee

AGENDA ITEM 3

Executive Director's

Report

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California Tax Credit Allocation Committee

AGENDA ITEM 4

Recommendation for Reservation of 2021 Second Round Federal Nine Percent (9%) Low Income Housing Tax Credits (LIHTCs)

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-21-100	The Arthur at Blackstone 3039 N Blackstone Avenue Fresno, CA 93703 Fresno County	Housing Authority of the City of Fresno, CA Angelina Nguyen	Housing Authority of the City of Fresno Michael Duarte Silvercrest, Inc. Angelina Nguyen	Housing Authority of the City of Fresno Michael Duarte	Housing Authority of the City of Fresno Angelina Nguyen	US Bank City of Fresno HOME Fresno HA HRFC HCD IIG NPLH Capital
CA-21-177	Heritage Square South 710 N. Fair Oaks Avenue Pasadena, CA 91103 Los Angeles County	Heritage Square II, LP Anna Slaby	Heritage Square II, LLC Anna Slaby	BRIDGE Housing Corporation Anna Slaby	City of Pasadena a Municipal Corporation Kimberly McKay	Wells Fargo City of Pasadena CCRC

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2021 Second Round

November 17, 2021

The Arthur at Blackstone, located at 3039 North Blackstone Avenue in Fresno, requested and is being recommended for a reservation of \$1,842,831 in annual federal tax credits to finance the new construction of 40 units of housing serving special needs tenants with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Housing Authority of the City of Fresno and will be located in Senate District 8 and Assembly District 31.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the NPLH and IIG programs of HCD.

Project Number CA-21-100

Project Name The Arthur at Blackstone
Site Address: 3039 North Blackstone Avenue
Fresno, CA 93703 County: Fresno
Census Tract: 35.000

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,842,831	\$0
Recommended:	\$1,842,831	\$0

Applicant Information

Applicant: Housing Authority of the City of Fresno, CA
Contact: Angelina Nguyen
Address: 1331 Fulton Street
Fresno, CA 93721
Phone: 559-443-8439
Email: anguyen@fresnohousing.org

General Partner(s) / Principal Owner(s): Housing Authority of the City of Fresno
Silvercrest, Inc.
General Partner Type: Nonprofit
Parent Company(ies): Housing Authority of the City of Fresno
Housing Authority of the City of Fresno
Developer: Housing Authority of the City of Fresno
Investor/Consultant: Red Stone Equity Partners, LLC
Management Agent(s): Fresno Housing Authority

Project Information

Construction Type: New Construction / Adaptive Reuse
Total # Residential Buildings: 3
Total # of Units: 41
No. & % of Tax Credit Units: 40 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME / HUD Section 8 Project-based Vouchers (40 units - 100%)

Information

Set-Aside: N/A
 Housing Type: Special Needs and Large Family
 Type of Special Needs: Transition age youth
 Average Targeted Affordability of Special Needs/SRO Project Units: 39.00%
 % of Special Need Units: 20 units 50.00%
 Geographic Area: Central Valley Region
 TCAC Project Analyst: Sarah Gullikson

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 22	55%
At or Below 40% AMI: 4	10%
At or Below 50% AMI: 10	25%
At or Below 60% AMI: 4	10%

Unit Mix

15 SRO/Studio Units
12 1-Bedroom Units
8 2-Bedroom Units
6 3-BedroomUnits
<u>41 Total Units</u>

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
15 SRO/Studio	30%	\$366
5 1 Bedroom	30%	\$392
7 1 Bedroom	50%	\$653
1 2 Bedrooms	30%	\$471
2 2 Bedrooms	40%	\$628
3 2 Bedrooms	50%	\$785
2 2 Bedrooms	60%	\$870
1 3 Bedrooms	30%	\$543
2 3 Bedrooms	40%	\$725
2 3 Bedrooms	60%	\$1,087
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,196,745
Construction Costs	\$15,539,896
Rehabilitation Costs	\$0
Construction Contingency	\$1,333,050
Relocation	\$39,509
Architectural/Engineering	\$987,726
Const. Interest, Perm. Financing	\$915,865
Legal Fees	\$173,404
Reserves	\$455,080
Other Costs	\$835,982
Developer Fee	\$2,200,000
Commercial Costs	\$740,717
Total	\$24,417,974

Residential

Construction Cost Per Square Foot:	\$449
Per Unit Cost:	\$576,835
True Cash Per Unit Cost*:	\$576,835

Construction Financing

<u>Source</u>	<u>Amount</u>
US Bank	\$15,152,498
City of Fresno HOME	\$1,633,112
Fresno Housing Authority HRFC	\$2,000,000
Fresno Housing Authority	\$500,000
HCD IIG (Sponsor Loan)	\$1,833,700
Deferred Costs	\$1,780,080
Accrued Interest	\$26,040
Tax Credit Equity	\$1,492,544

Permanent Financing

<u>Source</u>	<u>Amount</u>
City of Fresno HOME	\$1,633,112
Fresno Housing Authority HRFC	\$2,000,000
Fresno Housing Authority	\$500,000
HCD IIG (Sponsor Loan)	\$1,833,700
HCD NPLH	\$3,499,685
Accrued Interest	\$26,040
Tax Credit Equity	\$14,925,437
TOTAL	\$24,417,974

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$15,750,691
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$20,475,898
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,842,831
Approved Developer Fee in Project Cost:	\$2,200,000
Approved Developer Fee in Eligible Basis:	\$2,172,996
Investor/Consultant:	Red Stone Equity Partners, LLC
Federal Tax Credit Factor:	\$0.80992

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:	Special Needs
Final:	66.751%

Significant Information / Additional Conditions

The 20 Special Needs units do not include a utility allowance. The owner will pay all utilities on these units. The remaining 20 Large Family units will use the utility allowance provided by the Housing Authority.

This project will include the new construction of 2 buildings consisting of 30 total units and the adaptive reuse of an existing commercial building constructed in the 1950's and vacant approximately 10 years. The commercial building is located adjacent to the new construction site and will be renovated and reconfigured to include 11 total units, as well as commercial and community space. Upon completion, the project will include 40 LIHTC units and 1 manager's unit.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Fresno, 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 1/8 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/2 mile of public middle school	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, 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
SPECIAL NEEDS HOUSING TYPE			
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Health/behavioral services provided by licensed org. or individual	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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2021 Second Round

November 17, 2021

Heritage Square South, located at 710 N. Fair Oaks Avenue in Pasadena, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the new construction of 69 units of housing serving special needs tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by BRIDGE Housing Corporation and will be located in Senate District 25 and Assembly District 41.

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

Project Number CA-21-177

Project Name Heritage Square South
Site Address: 710 N. Fair Oaks Avenue
Pasadena, CA 91103 County: Los Angeles
Census Tract: 4620.020

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

Applicant Information

Applicant: Heritage Square II, LP
Contact: Anna Slaby
Address: 600 California Street, Suite 900
San Francisco, CA 94108
Phone: 858-248-2416
Email: aslaby@bridgehousing.com

General Partner(s) / Principal Owner(s): Heritage Square II, LLC
General Partner Type: Nonprofit
Parent Company(ies): BRIDGE Housing Corporation
Developer: BRIDGE Housing Corporation
Investor/Consultant: Community Housing Partnership Corporation
Management Agent(s): John Stewart Company

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 70
No. & % of Tax Credit Units: 69 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project Based Vouchers (69 Units - 100%)

Information

Set-Aside: N/A
 Housing Type: Special Needs
 Type of Special Needs: Homeless
 Average Targeted Affordability of Special Needs/SRO Project Units: 30.00%
 % of Special Need Units: 100.00%
 Geographic Area: Balance of Los Angeles County
 TCAC Project Analyst: Franklin Cui

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 69	80%

Unit Mix

69 1-Bedroom Units
1 2-Bedroom Units
70 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
69 1 Bedroom	30%	\$665
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$6,449,591
Construction Costs	\$18,292,598
Rehabilitation Costs	\$0
Construction Contingency	\$2,065,358
Relocation	\$315,675
Architectural/Engineering	\$1,232,323
Const. Interest, Perm. Financing	\$1,702,392
Legal Fees	\$265,115
Reserves	\$579,080
Other Costs	\$4,178,098
Developer Fee	\$2,200,000
Commercial Costs	\$3,156,027
Total	\$40,436,257

Residential

Construction Cost Per Square Foot:	\$311
Per Unit Cost:	\$529,878
True Cash Per Unit Cost*:	\$423,452

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo	\$23,091,718	CCRC	\$4,497,000
City of Pasadena Loan	\$4,992,683	City of Pasadena Loan	\$4,992,683
Cost Deferred Until Construction	\$2,105,282	City of Pasadena Land	\$6,400,000
City of Pasadena Land	\$6,400,000	Impact Fee Waiver	\$1,721,574
Impact Fee Waiver	\$1,721,574	Tax Credit Equity	\$22,825,000
Tax Credit Equity	\$2,125,000	TOTAL	\$40,436,257

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,441,361
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,873,769
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Community Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.91300

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:	Special Needs
Final:	56.444%

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 ¼ 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 ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ½ mile of a pharmacy	2	2	2
Service Amenities	10	10	10
SPECIAL NEEDS HOUSING TYPE			
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 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.



AGENDA ITEM 5

**Recommendation of a Resolution
establishing a Waiting List of
pending applications for a
Reservation of 2021 Second Round
Federal Nine Percent (9%) and State
Low Income Housing Tax Credits
(LIHTCs), provided that credit
remains available and such
applications are complete, eligible
and financially feasible**

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-21-064	Cedar & Kettner 1566 Kettner Boulevard San Diego, CA 92101 San Diego County	BRIDGE Housing Corporation Aruna Doddapaneni	Cedar Kettner LLC Aruna Doddapaneni	BRIDGE Housing Corporation Aruna Doddapaneni	County of San Diego Marko Medved	US Bank County of San Diego City of San Diego Holland Partner Grant AHP RTCIP Fee Waiver CalHFA SNHP
CA-21-073	34320 Fremont Family Apartments 34320 Fremont Boulevard Fremont, CA 94555 Alameda County	Allied Housing Inc. Louis Chicoine	Allied 34320 Fremont LLC Jon White	Allied Housing Inc. Louis Chicoine	Reorganized Church of Jesus Christ of Latter Day Saints Steven E. Graffeo	Chase Bank City of Fremont Alameda County A1 HCD No Place Like Home
CA-21-101	Sun Lodge 1101 N. Parkway Drive Fresno, CA 93728 Fresno County	Housing Authority of the City of Fresno, CA Angelina Nguyen	Housing Authority of the City of Fresno, CA Michael Duarte Silvercrest, Inc. Michael Duarte	Housing Authority of the City of Fresno, CA Angelina Nguyen	Silvercrest, Inc. Angelina Nguyen	U.S. Bank City of Fresno HomeKey HRFC Loan
CA-21-107	Anaheim Midway 110 W. Midway Drive Anaheim, CA 92805 Orange County	National Community Renaissance of California Ashley Wright	NCRC Anaheim Midway GP, LLC Ashley Wright	National Community Renaissance of California Ariana Brendle	Anaheim Housing Authority Grace Ruiz-Stepter	Bank of America AHA Loan City of Anaheim County of Orange Mental Health Orange County Housing Finance Trust
CA-21-155	Calexico Meadows 2420 Rancho Frontera Avenue Calexico, CA 92231 Imperial County	Calexico Meadows CIC, LP Robert Laing	Pacific Southwest Community Development Corporation Robert Laing	Chelsea Investment Corporation Cheri Hoffman	Calexico Meadows 2018, LLC Cheri Hoffman	Citi HCD Joe Serna USDA
CA-21-166	Lowden Lane Senior Apartments 2775 Lowden Lane Redding, CA 96002 Shasta County	Central California Housing Corporation Laurie Doyle	Central California Housing Corporation Laurie Doyle Community Action Agency of Butte County, Inc. Thomas Tenorio	Central California Housing Corporation Laurie Doyle	The Brian W. Hicks Revocable Trust Brian W. Hicks	Wells Fargo Bank Berkadia Infill Infrastructure Grant City of Redding
CA-21-180	Saybrook Apartments 4390 47th Avenue Sacramento, CA 92824 Sacramento County	Saybrook Housing Partners LP Katherine McFadden	JHC-Saybrook LLC Katherine McFadden	Jamboree Housing Corporation Michael Massie	Preservation Southpointe, L.P. Mark A Wiese & Anita Landecker	Banner Bank CDBG AHF HIF

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2021 Second Round

November 17, 2021

Cedar & Kettner, located at 1566 Kettner Boulevard in San Diego, requested and is being recommended for a reservation of \$2,427,889 in annual federal tax credits to finance the new construction of 63 units of housing serving seniors with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by BRIDGE Housing Corporation and will be located in Senate District 39 and Assembly District 78.

Cedar & Kettner will be receiving state funding from the SNHP through CalHFA.

Project Number CA-21-064

Project Name Cedar & Kettner
Site Address: 1566 Kettner Boulevard
San Diego, CA 92101 County: San Diego
Census Tract: 58.000

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,427,889	\$0
Recommended:	\$2,427,889	\$0

Applicant Information

Applicant: BRIDGE Housing Corporation
Contact: Aruna Doddapaneni
Address: 4142 Adams Ave, Suite 103-627
San Diego, CA 92116
Phone: (619) 814-1285
Email: adoddapaneni@bridgehousing.com

General Partner(s) / Principal Owner(s): Cedar Kettner LLC
General Partner Type: Nonprofit
Parent Company(ies): BRIDGE Housing Corporation
Developer: BRIDGE Housing Corporation
Investor/Consultant: California Housing Partnership
Management Agent(s): BRIDGE Property Management Company

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 64
No. & % of Tax Credit Units: 63 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: None

Information

Set-Aside: N/A
Housing Type: Seniors
Geographic Area: San Diego County
TCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 13	21%
At or Below 50% AMI: 49	78%
At or Below 60% AMI: 1	1%

Unit Mix

6 SRO/Studio Units
55 1-Bedroom Units
3 2-Bedroom Units
<u>64 Total Units</u>

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 SRO/Studio	30%	\$636
7 1 Bedroom	30%	\$682
1 2 Bedrooms	30%	\$818
1 SRO/Studio	50%	\$998
18 1 Bedroom	50%	\$1,023
30 1 Bedroom	50%	\$1,136
1 2 Bedrooms	60%	\$1,636
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$5,076,593
Construction Costs	\$23,309,030
Rehabilitation Costs	\$0
Construction Contingency	\$1,543,141
Relocation	\$0
Architectural/Engineering	\$3,595,737
Const. Interest, Perm. Financing	\$2,449,492
Legal Fees	\$145,000
Reserves	\$323,902
Other Costs	\$3,257,241
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$41,900,136

Residential

Construction Cost Per Square Foot:	\$402
Per Unit Cost:	\$654,690
True Cash Per Unit Cost*:	\$585,288

Construction Financing

Source	Amount
US Bank Construction Loan	\$21,295,108
County of San Diego IHTF Loan	\$1,016,315
City of San Diego Loan	\$4,032,000
County of San Diego - Land Donation	\$4,290,000
CalHFA SNHP Loan	\$757,120
AHP (Sponsor Loan)	\$630,000
RTCIP Fee Waiver	\$151,704
Holland Partner Group Grant	\$6,257,000
Cost Deferred Until Conversion	\$1,423,902
Tax Credit Equity	\$2,046,987

Permanent Financing

Source	Amount
US Bank Permanent Loan	\$1,620,200
City of San Diego Loan	\$4,480,000
County of San Diego IHTF Loan	\$1,129,238
County of San Diego Land Donation	\$4,290,000
CalHFA SNHP Loan	\$757,120
AHP (Sponsor Loan)	\$630,000
RTCIP Fee Waiver	\$151,704
Holland Partner Group Grant	\$6,257,000
Tax Credit Equity	\$22,584,874
TOTAL	\$41,900,136

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$20,751,184
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$26,976,539
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,427,889
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.93023

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:	72.564%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, San Diego Housing Commission, 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

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 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Senior project within ½ mile of daily operated senior center/facility	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Health & wellness services and programs, minimum 100 hrs per 100 bdms	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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2021 Second Round

November 17, 2021

34320 Fremont Family Apartments, located at 34320 Fremont Boulevard in Fremont, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$5,164,451 in total state tax credits to finance the new construction of 53 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 Allied Housing Inc. and will be located in Senate District 10 and Assembly District 20.

The project financing includes state funding from the NPLH program of HCD.

Project Number CA-21-073

Project Name 34320 Fremont Family Apartments
Site Address: 34320 Fremont Boulevard
Fremont CA, 94555 County: Alameda
Census Tract: 4414.020

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$5,164,451
Recommended:	\$2,500,000	\$5,164,451

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

Applicant Information

Applicant: Allied Housing Inc.
Contact: Louis Chicoine
Address: 40849 Fremont Boulevard
Fremont CA, 94538
Phone: (510) 657-7409
Email: lchicoine@abodeservices.org

General Partner(s) / Principal Owner(s): Allied 34320 Fremont LLC
General Partner Type: Nonprofit
Parent Company(ies): Allied Housing, Inc.
Developer: Allied Housing Inc.
Investor/Consultant: Community Economics, Inc.
Management Agent(s): John Stewart Company

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 54
No. & % of Tax Credit Units: 53 100%
Federal Set-Aside Elected: 40%/60%

Information

Set-Aside: N/A
 Housing Type: Special Needs and Large Family
 Type of Special Needs: Homeless/formerly homeless
 Average Targeted Affordability of Special Needs/SRO Project Units: 38.11%
 % of Special Need Units: 27 units 50.00%
 Geographic Area: East Bay Region
 TCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 20% AMI: 13	20%
At or Below 30% AMI: 14	25%
At or Below 40% AMI: 6	10%
At or Below 50% AMI: 10	15%
At or Below 60% AMI: 10	15%

Unit Mix

22 1-Bedroom Units
17 2-Bedroom Units
15 3-Bedroom Units
<u>54 Total Units</u>

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
7 1 Bedroom	20%	\$367
6 1 Bedroom	30%	\$489
1 1 Bedroom	30%	\$489
2 1 Bedroom	40%	\$979
3 1 Bedroom	50%	\$1,223
3 1 Bedroom	60%	\$1,468
4 2 Bedrooms	20%	\$440
3 2 Bedrooms	30%	\$587
2 2 Bedrooms	40%	\$1,175
4 2 Bedrooms	50%	\$1,468
3 2 Bedrooms	60%	\$1,762
2 3 Bedrooms	20%	\$509
4 3 Bedrooms	30%	\$678
2 3 Bedrooms	40%	\$1,357
3 3 Bedrooms	50%	\$1,696
4 3 Bedrooms	60%	\$2,036
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,165,674
Construction Costs	\$28,966,536
Rehabilitation Costs	\$0
Construction Contingency	\$2,277,158
Relocation	\$0
Architectural/Engineering	\$1,609,400
Const. Interest, Perm. Financing	\$2,418,714
Legal Fees	\$118,000
Reserves	\$1,544,889
Other Costs	\$3,529,121
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$46,829,491

Residential

Construction Cost Per Square Foot:	\$689
Per Unit Cost:	\$867,213
True Cash Per Unit Cost*:	\$867,213

Construction Financing

Source	Amount
Chase Bank	\$27,102,792
City of Fremont	\$5,400,000
Alameda County A1	\$8,452,654
General Partner Equity	\$1,000
Tax Credit Equity	\$2,638,156

Permanent Financing

Source	Amount
City of Fremont	\$5,400,000
Alameda County A1	\$8,452,654
HCD No Place Like Home	\$6,724,277
General Partner Equity	\$1,000
Tax Credit Equity	\$26,251,560
TOTAL	\$46,829,491

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,367,521
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,778
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$5,164,451
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	\$0.88480
State Tax Credit Factor:	\$0.80000

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: **Special Needs**
Final: **74.569%**

Significant Information / Additional Conditions: None.

The project has an NPLH capitalized operating subsidy for 20 years that covers 26 of the units.

The proposed project does not include a utility allowance. The owner will pay for all utilities.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Fremont, 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 ⅓ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of school grounds/facilities open to public with JUA	3	3	3
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ¾ mile of a public high school	2	2	2
Special Needs project within ½ mile of facility serving tenant population	3	3	3
Within ½ mile of a pharmacy	2	2	2
Highest or High Resources Area	8	8	8
Service Amenities	10	11	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
SPECIAL NEEDS HOUSING TYPE			
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 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	110	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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2021 Second Round

November 17, 2021

Sun Lodge, located at 1101 N Parkway Drive in Fresno, requested and is being recommended for a reservation of \$2,051,057 in annual federal tax credits to finance the new construction of 63 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 Housing Authority of the City of Fresno, CA and will be located in Senate District 14 and Assembly District 31.

The project will be receiving rental assistance in the form of LIPH. The project financing includes state funding from the HomeKey program of HCD.

Project Number CA-21-101

Project Name Sun Lodge
Site Address: 1101 N Parkway Drive
Fresno CA, 93728 County: Fresno
Census Tract: 20.000

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,051,057	\$0
Recommended:	\$2,051,057	\$0

Applicant Information

Applicant: Housing Authority of the City of Fresno, CA
Contact: Angelina Nguyen
Address: 1331 Fulton Street
Fresno CA, 93721
Phone: 559-443-8439
Email: anguyen@fresnohousing.org

General Partner(s) / Principal Owner(s): Housing Authority of the City of Fresno, CA
Silvercrest, Inc.
General Partner Type: Nonprofit
Parent Company(ies): Housing Authority of the City of Fresno, CA
Developer: Housing Authority of the City of Fresno, CA
Investor/Consultant: The California Housing Partnership Corporation
Management Agent(s): Fresno Housing

Project Information

Construction Type: New Construction / Adaptive Reuse
Total # Residential Buildings: 4
Total # of Units: 64
No. & % of Tax Credit Units: 63 100%
Federal Set-Aside Elected: 40%/60%

Information

Set-Aside: N/A
Housing Type: Large Family
Geographic Area: Central Valley Region
TCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
At or Below 30% AMI:	18	25%
At or Below 40% AMI:	12	15%
At or Below 50% AMI:	16	25%
At or Below 60% AMI:	17	25%

Unit Mix

18 SRO/Studio Units
10 1-Bedroom Units
20 2-Bedroom Units
16 3-BedroomUnits
64 Total Units

Unit Type & Number	2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
13 SRO/Studio	30%	\$366
1 1 Bedroom	30%	\$392
2 2 Bedrooms	30%	\$471
2 3 Bedrooms	30%	\$544
3 1 Bedroom	40%	\$522
4 2 Bedrooms	40%	\$628
5 3 Bedrooms	40%	\$725
2 SRO/Studio	50%	\$610
3 1 Bedroom	50%	\$653
7 2 Bedrooms	50%	\$785
4 3 Bedrooms	50%	\$906
3 SRO/Studio	60%	\$652
3 1 Bedroom	60%	\$784
6 2 Bedrooms	60%	\$942
5 3 Bedrooms	60%	\$1,087
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$6,252,988
Construction Costs	\$14,790,833
Rehabilitation Costs	\$0
Construction Contingency	\$1,960,482
Relocation	\$0
Architectural/Engineering	\$550,000
Const. Interest, Perm. Financing	\$1,418,227
Legal Fees	\$175,000
Reserves	\$232,962
Other Costs	\$1,360,659
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$28,941,151

Residential

Construction Cost Per Square Foot:	\$238
Per Unit Cost:	\$452,205
True Cash Per Unit Cost*:	\$377,362

Construction Financing

Source	Amount
U.S. Bank	\$14,688,246
City of Fresno	\$3,000,000
HomeKey Program Fund**	\$4,790,000
HomeKey Program Fund***	\$1,068,779
HRFC Loan	\$2,000,000
Accrued Interest on Soft Loans	\$226,864
Cost Deferred Until Conversion	\$1,572,962
Tax Credit Equity	\$1,594,300

Permanent Financing

Source	Amount
City of Fresno	\$3,000,000
HomeKey Program Fund**	\$4,790,000
HomeKey Program Fund***	\$1,068,779
HRFC Loan	\$2,000,000
Accrued Interest on Soft Loans	\$226,864
Tax Credit Equity	\$17,855,508
TOTAL	\$28,941,151

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

**Acquisition

***Holding Cost

Determination of Credit Amount(s)

Requested Eligible Basis:	\$17,530,405
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$22,789,527
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,051,057
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	The California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.87055

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

Tie-Breaker Information

First:	Large Family
Final:	60.349%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, the City of Fresno, 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 ¼ mile of transit, service every 30 minutes in rush hours	6	6	6
Within ½ mile of public park or community center open to general public	3	3	3
Within 1½ miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3
Within ¾ mile of a public elementary school	2	2	2
In-unit high speed internet service	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, 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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2021 Second Round

November 17, 2021

Anaheim Midway, located at 110 W Midway Drive in Anaheim, requested and is being recommended for a reservation of \$2,272,475 in annual federal tax credits to finance the new construction of 85 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 National Community Renaissance of California and will be located in Senate District 34 and Assembly District 69.

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

Project Number CA-21-107

Project Name Anaheim Midway
Site Address: 110 W Midway Drive
Anaheim CA, 92805 County: Orange
Census Tract: 874.030

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,272,475	\$0
Recommended:	\$2,272,475	\$0

Applicant Information

Applicant: National Community Renaissance of California
Contact: Ashley Wright
Address: 9421 Haven Avenue
Rancho Cucamonga CA, 91730
Phone: (909) 483-2444
Email: awright@nationalcore.org

General Partner(s) / Principal Owner(s): NCRC Anaheim Midway GP, LLC
General Partner Type: Nonprofit
Parent Company(ies): National Community Renaissance of California
Developer: National Community Renaissance of California
Investor/Consultant: Bank of America
Management Agent(s): National Community Renaissance of California

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 86
No. & % of Tax Credit Units: 85 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (8 units - 9.30%)

Information

Set-Aside: N/A
Housing Type: Large Family
Geographic Area: Orange County
TCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 28	30%
At or Below 40% AMI: 10	10%
At or Below 50% AMI: 29	30%
At or Below 60% AMI: 18	20%

Unit Mix

29 1-Bedroom Units
35 2-Bedroom Units
22 3-Bedroom Units
86 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
8 1 Bedroom	30%	\$756
9 1 Bedroom	30%	\$756
4 1 Bedroom	40%	\$1,009
8 1 Bedroom	50%	\$1,261
8 2 Bedrooms	30%	\$908
5 2 Bedrooms	40%	\$1,211
13 2 Bedrooms	50%	\$1,513
8 2 Bedrooms	60%	\$1,816
3 3 Bedrooms	30%	\$1,049
1 3 Bedrooms	40%	\$1,399
8 3 Bedrooms	50%	\$1,748
10 3 Bedrooms	60%	\$2,098
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$9,317,549
Construction Costs	\$24,135,963
Rehabilitation Costs	\$0
Construction Contingency	\$1,436,471
Relocation	\$0
Architectural/Engineering	\$1,600,000
Const. Interest, Perm. Financing	\$2,204,203
Legal Fees	\$360,000
Reserves	\$475,271
Other Costs	\$2,932,759
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$44,662,215

Residential

Construction Cost Per Square Foot:	\$256
Per Unit Cost:	\$519,328
True Cash Per Unit Cost*:	\$435,607

Construction Financing

Source	Amount
Bank of America	\$24,924,453
Seller Carryback	\$7,200,000
City of Anaheim	\$6,025,795
County of Orange MHSA	\$738,455
Deferred Costs	\$1,575,271
Tax Credit Equity	\$4,198,242

Permanent Financing

Source	Amount
Bank of America	\$9,167,000
Seller Carryback	\$7,200,000
City of Anaheim	\$6,025,795
County of Orange MHSA	\$738,455
OCHFT	\$624,197
Tax Credit Equity	\$20,906,768
TOTAL	\$44,662,215

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$19,424,805
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$25,252,246
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,272,475
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Bank of America
Federal Tax Credit Factor:	\$0.92000

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:	Large Family
Final:	65.901%

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 1/8 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 1/4 mile of a public elementary school	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, 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
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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2021 Second Round

November 17, 2021

Calexico Meadows, located at 2420 Rancho Frontera Avenue in Calexico, requested and is being recommended for a reservation of \$1,263,737 in annual federal tax credits to finance the new construction of 59 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 Chelsea Investment Corporation and will be located in Senate District 40 and Assembly District 56.

The project will be receiving rental assistance in the form of USDA RHS 521 Rental Assistance. The project financing includes state funding from the Joe Serna program of HCD.

Project Number CA-21-155

Project Name Calexico Meadows
Site Address: 2420 Rancho Frontera Avenue
Calexico CA, 92231 County: Imperial
Census Tract: 119.000

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,263,737	\$0
Recommended:	\$1,263,737	\$0

Applicant Information

Applicant: Calexico Meadows CIC, LP
Contact: Robert Laing
Address: 6339 Paseo del Lago
Carlsbad CA, 92011
Phone: 858-675-0506
Email: robertlaing@pswcdc.org

General Partner(s) / Principal Owner(s): Pacific Southwest Community Development Corporation
General Partner Type: Nonprofit
Parent Company(ies): Pacific Southwest Community Development Corporation
Developer: Chelsea Investment Corporation
Investor/Consultant: The Richman Group
Management Agent(s): CIC Management, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 5
Total # of Units: 60
No. & % of Tax Credit Units: 59 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: USDA RHS 521

Information

Set-Aside: N/A
 Housing Type: Large Family
 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	12%
At or Below 35% AMI: 7	12%
At or Below 40% AMI: 7	12%
At or Below 45% AMI: 7	12%
At or Below 50% AMI: 7	12%
At or Below 60% AMI: 24	40%

Unit Mix

44 2-Bedroom Units
<u>16 3-Bedroom Units</u>
60 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
19 2 Bedrooms	60%	\$942
5 2 Bedrooms	50%	\$785
5 2 Bedrooms	45%	\$706
5 2 Bedrooms	40%	\$628
5 2 Bedrooms	35%	\$549
5 2 Bedrooms	30%	\$471
5 3 Bedrooms	60%	\$1,087
2 3 Bedrooms	50%	\$906
2 3 Bedrooms	45%	\$815
2 3 Bedrooms	40%	\$725
2 3 Bedrooms	35%	\$634
2 3 Bedrooms	30%	\$543
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,138,288
Construction Costs	\$12,786,836
Rehabilitation Costs	\$0
Construction Contingency	\$673,569
Relocation	\$0
Architectural/Engineering	\$610,200
Const. Interest, Perm. Financing	\$1,234,181
Legal Fees	\$181,000
Reserves	\$150,992
Other Costs	\$1,903,174
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$20,878,240

Residential

Construction Cost Per Square Foot:	\$221
Per Unit Cost:	\$347,971
True Cash Per Unit Cost*:	\$340,202

Construction Financing

Source	Amount
Citi Community Capital	\$16,601,794
General Partner Contribution	\$100
Deferred Costs	\$1,667,993
Tax Credit Equity	\$2,608,353

Permanent Financing

Source	Amount
Citi Community Capital	\$2,420,000
USDA 514	\$3,000,000
HCD Joe Serna	\$4,043,718
Deferred Developer Fee	\$466,134
General Partner Contribution	\$100
Solar Equity	\$80,152
Tax Credit Equity	\$10,868,136
TOTAL	\$20,878,240

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$14,041,519
130% High Cost Adjustment:	No
Requested Eligible Basis:	\$0
Applicable Fraction:	100.00%
Qualified Basis:	\$14,041,519
Applicable Rate:	9.00%
Qualified Basis:	\$0
Total Maximum Annual Federal Credit:	\$1,263,737
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	The Richman Group
Federal Tax Credit Factor:	\$0.86000

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:	Large Family
Final:	62.163%

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 public park or community center open to general public	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 public high school	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
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. 60 hrs/yr instruction	5	5	5
After school program for school age children, minimum of 10 hours/week	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
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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2021 Second Round

November 17, 2021

Lowden Lane Senior Apartments, located at 2775 Lowden Lane in Redding, requested and is being recommended for a reservation of \$2,499,727 in annual federal tax credits to finance the new construction of 60 units of housing serving seniors with rents affordable to households earning 30-50% of area median income (AMI). The project will be developed by Central California Housing Corporation and will be located in Senate District 1 and Assembly District 1.

This project is receiving rental assistance in the form of Section 8 Project Based Vouchers and includes state funding from the IIG program of HCD.

Project Number CA-21-166

Project Name Lowden Lane Senior Apartments
Site Address: 2775 Lowden Lane
Redding, CA 96002 County: Shasta
Census Tract: 109.000

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,499,727	\$0
Recommended:	\$2,499,727	\$0

Applicant Information

Applicant: Central California Housing Corporation
Contact: Laurie Doyle
Address: 3128 Willow Avenue, Suite 101
Clovis, CA 93612
Phone: (559) 292-3385
Email: Ldoyle@ahdcinc.com

General Partner(s) / Principal Owner(s): Central California Housing Corporation
Community Action Agency of Butte County, Inc.

General Partner Type: Joint Venture
Parent Company(ies): Central California Housing Corporation
Community Action Agency of Butte County, Inc.

Developer: Central California Housing Corporation
Investor/Consultant: R4 Capital
Management Agent(s): WinnResidential

Project Information

Construction Type: New Construction
Total # Residential Buildings: 5
Total # of Units: 61
No. & % of Tax Credit Units: 60 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project Based Vouchers (60 units - 100%)

Information

Set-Aside: N/A
Housing Type: Seniors
Geographic Area: Northern 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	11%
At or Below 40% AMI: 13	21%
At or Below 50% AMI: 40	60%

Unit Mix

53 1-Bedroom Units
<u>8 2-Bedroom Units</u>
61 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%	\$399
1 2 Bedrooms	30%	\$479
11 1 Bedroom	40%	\$532
2 2 Bedrooms	40%	\$639
21 1 Bedroom	50%	\$665
4 2 Bedrooms	50%	\$798
15 1 Bedroom	50%	\$798
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,589,650
Construction Costs	\$16,266,436
Rehabilitation Costs	\$0
Construction Contingency	\$1,012,804
Relocation	\$0
Architectural/Engineering	\$1,041,169
Const. Interest, Perm. Financing	\$2,854,800
Legal Fees	\$355,000
Reserves	\$301,622
Other Costs	\$1,882,707
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$29,504,188

Residential

Construction Cost Per Square Foot:	\$290
Per Unit Cost:	\$483,675
True Cash Per Unit Cost*:	\$483,068

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo Bank	\$23,500,000	Berkadia	\$3,550,000
HCD - IIG	\$1,989,650	HCD - IIG	\$1,989,650
City of Redding Fee Deferral	\$300,000	City of Redding Fee Deferral	\$300,000
City of Redding Residual Receipts	\$880,000	City of Redding Residual Receipts	\$880,000
Deferred Costs	\$559,786	Deferred Developer Fee	\$37,022
Tax Credit Equity	\$2,274,752	Tax Credit Equity	\$22,747,516
		TOTAL	\$29,504,188

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$21,365,188
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$27,774,744
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,499,727
Approved Developer Fee in Project Cost:	\$2,200,000
Approved Developer Fee in Eligible Basis:	\$2,200,000
Investor/Consultant:	R4 Capital LLC
Federal Tax Credit Factor:	\$0.91000

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:	New Construction
Final:	33.682%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, the City of Redding, 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 ¼ mile of transit station or public bus stop	4	4	4
Within ¾ mile of public park or community center open to general public	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within ½ mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	1	1	1
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 bdms	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
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.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2021 Second Round

November 17, 2021

Saybrook Apartments, located at 4390 47th Avenue in Sacramento, requested and is being recommended for a reservation of \$2,020,380 in annual federal tax credits to finance the new construction and rehabilitation of 87 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 Jamboree Housing Corporation and will be located in Senate District 6 and Assembly District 9.

Saybrook Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Saybrook Apartments (CA-02-239). See **Resyndication and Resyndication Transfer Event** below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-21-180

Project Name Saybrook Apartments
Site Address: 4390 47th Avenue
Sacramento, CA 95824 County: Sacramento
Census Tract: 47.020

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,020,380	\$0
Recommended:	\$2,020,380	\$0

Applicant Information

Applicant: Saybrook Housing Partners LP
Contact: Katherine McFadden
Address: 17701 Cowan Ave, Suite 200
Irvine, CA 92614
Phone: (916) 545-2442
Email: kmcfadden@jamboreehousing.com

General Partner(s) / Principal Owner(s): JHC-Saybrook LLC
General Partner Type: Nonprofit
Parent Company(ies): Jamboree Housing Corporation
JHC-Saybrook LLC
Developer: Jamboree Housing Corporation
Investor/Consultant: California Housing Partnership Corporation
Management Agent(s): Domus Mangement Co.

Project Information

Construction Type: New Construction / Rehabilitation-Only
Total # Residential Buildings: 4
Total # of Units: 88
No. & % of Tax Credit Units: 87 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (60 units - 69%)
HOME / CDBG

Information

Set-Aside: N/A
 Housing Type: Large Family
 Geographic Area: Capital Region
 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:	15 15%
At or Below 35% AMI:	22 25%
At or Below 40% AMI:	15 15%
At or Below 50% AMI:	19 20%
At or Below 60% AMI:	16 15%

Unit Mix

8 SRO/Studio Units
33 1-Bedroom Units
24 2-Bedroom Units
23 3-BedroomUnits
<u>88 Total Units</u>

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 SRO/Studio	30%	\$476
7 1 Bedroom	30%	\$510
2 2 Bedrooms	30%	\$612
2 3 Bedrooms	30%	\$706
2 SRO/Studio	35%	\$555
10 1 Bedroom	35%	\$595
7 2 Bedrooms	35%	\$714
3 3 Bedrooms	35%	\$824
1 SRO/Studio	40%	\$563
5 1 Bedroom	40%	\$680
1 2 Bedrooms	40%	\$816
1 2 Bedrooms	40%	\$816
7 3 Bedrooms	40%	\$942
5 1 Bedroom	50%	\$850
5 3 Bedrooms	50%	\$1,178
1 2 Bedrooms	30%	\$612
1 3 Bedrooms	30%	\$706
3 SRO/Studio	50%	\$688
2 1 Bedroom	50%	\$850
2 2 Bedrooms	50%	\$1,020
2 3 Bedrooms	50%	\$1,178
4 1 Bedroom	60%	\$940
9 2 Bedrooms	60%	\$1,224
3 3 Bedrooms	60%	\$1,413
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,500,000
Construction Costs	\$7,235,947
Rehabilitation Costs	\$10,246,000
Construction Contingency	\$1,526,836
Relocation	\$420,000
Architectural/Engineering	\$1,265,000
Const. Interest, Perm. Financing	\$1,109,549
Legal Fees	\$142,500
Reserves	\$233,857
Other Costs	\$1,400,496
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$30,280,185

Residential

Construction Cost Per Square Foot:	\$229
Per Unit Cost:	\$344,093
True Cash Per Unit Cost*:	\$340,684

Construction Financing

Source	Amount
Banner Bank	\$15,187,135
SHRA Assumed Loan	\$2,794,672
SHRA - HOME	\$4,150,000
SHRA - CDBG	\$2,400,000
SHRA - AHF	\$950,000
SHRA - HTF	\$950,000
Seller Contribution	\$276,783
Existing Reserves	\$78,464
Deferred Cost	\$1,677,254
Deferred Developer Fee	\$300,000
Tax Credit Equity	\$1,515,877

Permanent Financing

Source	Amount
Banner Bank	\$1,309,000
SHRA Assumed Loan	\$2,794,672
SHRA - HOME	\$4,150,000
SHRA - CDBG	\$2,400,000
SHRA - AHF	\$950,000
SHRA - HTF	\$950,000
Seller Contribution	\$276,783
Existing Reserves	\$78,464
Deferred Developer Fee	\$300,000
Tax Credit Equity	\$17,071,266
TOTAL	\$30,280,185

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$17,268,202
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$22,448,663
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,020,380
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.84495

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:	Large Family
Final:	63.049%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event

Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-2002-239). To be eligible for a new award of tax credits, the owner must provide documentation with the Form 8609 request (the placed in service submission) that the acquisition date and the placed in service date both occurred after the existing federal 15 year compliance period was completed.

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

The newly resyndicated project shall continue to meet the rents and income targeting levels in the existing regulatory agreement(s) and any deeper targeting levels in the new regulatory agreement(s) for the duration of the new regulatory agreement(s). Existing households determined to be income-qualified for purposes of IRC §42 credit during the 15-year compliance period are concurrently income-qualified households for purposes of the extended use agreement. As a result, any household determined to be income qualified at the time of move-in under the existing regulatory agreement (CA-02-239) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on TCAC staff’s review of the commitment in the application. The services documented in the placed in service package will be reviewed by TCAC staff for compliance with this requirement at the time of the placed in service submission.

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from the requirements under TCAC Regulation Section 10320(b)(4)(B).

Local Reviewing Agency

The Local Reviewing Agency, Sacramento Housing and Redevelopment Agency, 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.

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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 1/8 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 3/4 mile of a public elementary school	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, 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
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.



California Tax Credit Allocation Committee

AGENDA ITEM 6

Public Comment



California Tax Credit Allocation Committee

AGENDA ITEM 7

Adjournment