

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**Tax-Exempt Bond Project**  
**December 22, 2021**

Redwood Glen Apartments, located at 8550-8560 Old Redwood Highway in Windsor, requested and is being recommended for a reservation of \$821,199 in annual federal tax credits to finance the new construction of 42 units of housing serving large families with rents affordable to households earning 30-70% of area median income (AMI). The project will be developed by JCL Development, LLC and will be located in Senate District 2 and Assembly District 2.

**Project Number** CA-21-713

**Project Name** Redwood Glen Apartments  
**Site Address:** 8550-8560 Old Redwood Highway  
Windsor, CA 95492 County: Sonoma  
**Census Tract:** 1538.06

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$821,199	\$0
Recommended:	\$821,199	\$0

**Applicant Information**

**Applicant:** JCL GP LLC  
**Contact:** Michael Limb  
**Address:** 9 Cushing, Suite 200  
Irvine, CA 92618  
**Phone:** 949-923-7800  
**Email:** mlimb@newportpartners.com

**General Partner(s) or Principal Owner(s):** JCL GP LLC  
Spectrum GP LLC

**General Partner Type:** Joint Venture

**Parent Company(ies):** JCL Development, LLC  
Spectrum Affordable Housing Corporation

**Developer:** JCL Development, LLC

**Bond Issuer:** California Municipal Finance Authority

**Investor/Consultant:** Alliant Capital

**Management Agent:** Domus Management Company

**Project Information**

**Construction Type:** New Construction

**Total # Residential Buildings:** 1

**Total # of Units:** 43

**No. / % of Low Income Units:** 42 100.00%

**Federal Set-Aside Elected:** 40%/60% Average Income

**Federal Subsidy:** Tax-Exempt

**Information**

Housing Type: Large Family  
 Geographic Area: Northern Region  
 TCAC Project Analyst: Tiffani Negrete

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 5	12%
50% AMI: 5	12%
60% AMI: 14	33%
70% AMI: 18	43%

**Unit Mix**

1 1-Bedroom Units
5 2-Bedroom Units
<u>37 3-Bedroom Units</u>
43 Total Units

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 1 Bedroom	30%	\$654
1 2 Bedrooms	30%	\$785
2 2 Bedrooms	50%	\$1,308
1 2 Bedrooms	60%	\$1,570
3 3 Bedrooms	30%	\$907
3 3 Bedrooms	50%	\$1,512
13 3 Bedrooms	60%	\$1,815
18 3 Bedrooms	70%	\$2,117
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,070,000
Construction Costs	\$9,550,823
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$485,041
Soft Cost Contingency	\$49,380
Relocation	\$0
Architectural/Engineering	\$740,000
Const. Interest, Perm. Financing	\$956,046
Legal Fees	\$115,000
Reserves	\$182,417
Other Costs	\$2,097,750
Developer Fee	\$2,059,864
Commercial Costs	\$0
<b>Total</b>	<b>\$17,306,320</b>

**Residential**

Construction Cost Per Square Foot:	\$216
Per Unit Cost:	\$402,473
True Cash Per Unit Cost*:	\$368,654

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citibank - T.E. Bonds	\$9,191,759	Citibank - T.E. Bonds	\$8,707,683
Citibank - Recycled Bonds	\$1,750,000	Deferred Developer Fee	\$1,454,206
Citibank - Taxable Loan	\$2,800,000	Tax Credit Equity	\$7,144,431
Deferred Developer Fee	\$2,135,676	<b>TOTAL</b>	<b>\$17,306,320</b>
Tax Credit Equity	\$1,428,886		

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$15,792,288
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$20,529,975
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$821,199
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,059,864
Investor/Consultant:	Alliant Capital
Federal Tax Credit Factor:	\$0.87000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**Significant Information / Additional Conditions:** None.

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

**Standard Conditions**

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

TCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by TCAC in its final feasibility analysis.

**CDLAC Additional Conditions**

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.