

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

Sugar Pine Village Phase 1A, located at 1860 Lake Tahoe Boulevard and 1029 Tata Lane in South Lake Tahoe, requested and is being recommended for a reservation of \$1,509,655 in annual federal tax credits and \$7,154,295 in total state tax credits to finance the new construction of 67 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 Related Irvine Development Company, LLC and will be located in Senate District 1 and Assembly District 5.

Sugar Pine Village Phase 1A's project financing includes state funding from the IIG program of HCD.

**Project Number** CA-21-747

**Project Name** Sugar Pine Village Phase 1A  
**Site Address:** 1860 Lake Tahoe Boulevard and 1029 Tata Lane  
 South Lake Tahoe, CA 96150 County: El Dorado  
**Census Tract:** 06-017-0304.02

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$1,509,655	\$7,154,295
Recommended:	\$1,509,655	\$7,154,295 *

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

**Applicant Information**

**Applicant:** Sugar Pine Housing Partners, L.P.  
**Contact:** Ann Silverberg  
**Address:** 44 Montgomery Street #1300  
 San Francisco, CA 94104  
**Phone:** (415) 677-9000  
**Email:** asilverberg@related.com

**General Partner(s) or Principal Owner(s):** Related/Sugar Pine Development Co., LLC  
 St. Joseph Sugar Pine Village LLC

**General Partner Type:** Joint Venture

**Parent Company(ies):** The Related Companies of California, LLC  
 Saint Joseph Community Land Trust

**Developer:** Related Irvine Development Company, LLC

**Bond Issuer:** California Municipal Finance Authority

**Investor/Consultant:** U.S. Bancorp Community Development Corporation

**Management Agent:** John Stewart Company

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 3  
 Total # of Units: 68  
 No. / % of Low Income Units: 67 100.00%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: None

**Information**

Housing Type: Large Family  
 Geographic Area: Capital Region  
 TCAC Project Analyst: Brett Andersen

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 15	22%
50% AMI: 27	40%
60% AMI: 25	37%

**Unit Mix**

12 SRO/Studio Units
12 1-Bedroom Units
23 2-Bedroom Units
21 3-Bedroom Units
<u>68 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
4 SRO/Studio	30%	\$476
5 SRO/Studio	50%	\$793
3 SRO/Studio	60%	\$952
3 1 Bedroom	30%	\$510
6 1 Bedroom	50%	\$850
3 1 Bedroom	60%	\$1,020
4 2 Bedrooms	30%	\$612
8 2 Bedrooms	50%	\$1,020
11 2 Bedrooms	60%	\$1,224
4 3 Bedrooms	30%	\$706
8 3 Bedrooms	50%	\$1,178
8 3 Bedrooms	60%	\$1,414
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$0
Construction Costs	\$26,753,197
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,698,887
Soft Cost Contingency	\$923,715
Relocation	\$0
Architectural/Engineering	\$1,338,947
Const. Interest, Perm. Financing	\$3,164,302
Legal Fees	\$241,400
Reserves	\$195,785
Other Costs	\$1,920,338
Developer Fee	\$2,700,000
Commercial Costs	\$0
<b>Total</b>	<b>\$39,936,571</b>

**Residential**

Construction Cost Per Square Foot:	\$405
Per Unit Cost:	\$587,303
True Cash Per Unit Cost*:	\$579,950

**Construction Financing**

Source	Amount
US Bank - Tax Exempt	\$20,757,762
US Bank - Taxable	\$14,779,985
South Lake Tahoe RDA	\$566,629
City of South Lake Tahoe Coverage	\$254,487
Deferred Developer Fee	\$500,000
Tax Credit Equity	\$3,077,708

**Permanent Financing**

Source	Amount
US Bank	\$2,774,000
HCD - MHP	\$12,127,500
South Lake Tahoe RDA	\$566,629
South Lake Tahoe	\$254,487
Sponsor Loan - HCD IIG	\$3,195,900
Deferred Developer Fee	\$500,000
Tax Credit Equity	\$20,518,055
<b>TOTAL</b>	<b>\$39,936,571</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$37,741,386
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$37,741,386
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,509,655
Total State Credit:	\$7,154,295
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,700,000
Investor/Consultant:	U.S. Bancorp Community Development Corporation
Federal Tax Credit Factor:	\$0.98000
State Tax Credit Factor:	\$0.80000

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.