

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

Terracina at Whitney Ranch, located between University Avenue and Wildcat Boulevard in Rocklin, requested and is being recommended for a reservation of \$4,756,876 in annual federal tax credits to finance the new construction of 285 units of housing serving large families with rents affordable to households earning 30-70% of area median income (AMI). The project requested \$2,842,825 in state tax credits, but due to the limited availability, was only approved \$2,423,978 in state tax credits. The project will be developed by USA Multi-Family Development, Inc. and will be located in Senate District 1 and Assembly District 6.

**Project Number** CA-21-680

**Project Name** Terracina at Whitney Ranch  
**Site Address:** Between University Avenue and Wildcat Boulevard  
 Rocklin, CA 95765 County: Placer  
**Census Tract:** 213.09

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$4,756,876	\$2,842,825
Recommended:	\$4,756,876	\$2,423,978 **

\* The applicant made an election not to sell (Certificate) any portion of the state credits.  
 \*\*The project was approved a partial state tax credit award at the December 22, 2021 CTCAC meeting.

**Applicant Information**

**Applicant:** USA Properties Fund, Inc.  
**Contact:** Darren Bobrowsky  
**Address:** 3200 Douglas Boulevard, Suite 200  
 Roseville, CA 95661  
**Phone:** (916) 865-3981  
**Email:** dbobrowsky@usapropfund.com

**General Partner(s) or Principal Owner(s):** USA Rocklin 688, Inc.  
 Riverside Charitable Corporation

**General Partner Type:** Joint Venture

**Parent Company(ies):** USA Properties Fund, Inc.  
 Riverside Charitable Corporation

**Developer:** USA Multi-Family Development, Inc.

**Bond Issuer:** California Municipal Finance Authority

**Investor/Consultant:** WNC

**Management Agent:** USA Multifamily Management, Inc.

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 12  
 Total # of Units: 288  
 No. / % of Low Income Units: 285 100%  
 Federal Set-Aside Elected: 40%/60% Average Income  
 Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Large Family  
 Geographic Area: Capital Region  
 TCAC Project Analyst: Sarah Gullikson

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 29	10%
50% AMI: 60	21%
60% AMI: 54	19%
70% AMI: 142	50%

**Unit Mix**

72 1-Bedroom Units  
 144 2-Bedroom Units  
 72 3-Bedroom Units  


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 288 Total Units

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
7 1 Bedroom	30%	\$510
15 1 Bedroom	50%	\$850
13 1 Bedroom	60%	\$1,020
37 1 Bedroom	70%	\$1,190
15 2 Bedrooms	30%	\$612
30 2 Bedrooms	50%	\$1,020
26 2 Bedrooms	60%	\$1,224
70 2 Bedrooms	70%	\$1,428
7 3 Bedrooms	30%	\$706
15 3 Bedrooms	50%	\$1,178
15 3 Bedrooms	60%	\$1,413
35 3 Bedrooms	70%	\$1,649
3 2 Bedrooms	Manager's Unit	\$0

### **Project Cost Summary at Application**

Land and Acquisition	\$861,341
Construction Costs	\$54,317,474
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$5,338,620
Soft Cost Contingency	\$329,937
Relocation	\$0
Architectural/Engineering	\$2,327,605
Const. Interest, Perm. Financing	\$4,826,194
Legal Fees	\$0
Reserves	\$876,915
Other Costs	\$13,532,656
Developer Fee	\$11,931,962
Commercial Costs	\$0
<b>Total</b>	<b>\$94,342,704</b>

### **Residential**

Construction Cost Per Square Foot:	\$234
Per Unit Cost:	\$327,579
True Cash Per Unit Cost*:	\$314,384

#### **Construction Financing**

<u>Source</u>	<u>Amount</u>
Citibank: Tranche A - Tax-Exempt	\$48,000,000
Citibank: Tranche B - Tax-Exempt	\$16,000,000
USA Properties Fund- Tax-Exempt†	\$2,000,000
NOI during Construction	\$367,967
Deferred Fees	\$12,925,727
Tax Credit Equity	\$8,798,526

#### **Permanent Financing**

<u>Source</u>	<u>Amount</u>
Citibank: Tranche A - Tax-Exempt	\$39,585,000
USA Properties Fund- Tax-Exempt†	\$2,000,000
NOI during Construction	\$1,150,076
GP Equity	\$3,815,000
Deferred Developer Fee	\$3,800,000
State Credit Backfill (TBD)	\$314,136
Tax Credit Equity	\$43,678,493
<b>TOTAL</b>	<b>\$94,342,704</b>

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

†Private Placement B-Bonds

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$91,478,376
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$118,921,889
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$4,756,876
Total State Credit:	\$2,423,978
Approved Developer Fee (in Project Cost & Eligible Basis):	\$11,931,962
Investor/Consultant:	WNC
Federal Tax Credit Factor:	\$0.88000
State Tax Credit Factor:	\$0.75000

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:**

This Project's annual per unit operating expense total is below the TCAC published per unit operating minimums of \$4,800. As allowed by TCAC Regulation Section 10327(g)(1), TCAC approves an annual per unit operating expense total of \$4,280 on agreement of the permanent lender and equity investor.

**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.