

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

**Project Staff Report
Tax-Exempt Bond Project
January 19, 2022**

Vintage at University Glen, located at the corner of Channel Island and San Miguel Island Drive in Camarillo, requested and is being recommended for a reservation of \$3,120,458 in annual federal tax credits to finance the new construction of 168 units of housing serving tenants with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Vintage Housing Development, Inc. and will be located in Senate District 19 and Assembly District 44.

Project Number CA-21-755

Project Name Vintage at University Glen
Site Address: Channel Island and San Miguel Island Drive
Camarillo, CA 93012 County: Ventura
Census Tract: 57.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$3,120,458	\$0
Recommended:	\$3,120,458	\$0

Applicant Information

Applicant: Vintage at University Glen, LP
Contact: Michael K. Gancar
Address: 369 San Miguel Drive, Ste. 135
Newport Beach, CA 92660
Phone: (949) 721-6775
Email: mgancar@vintagehousing.com

General Partner(s) or Principal Owner(s): Vintage at University Glen Partners, LLC
Hearthstone CA Properties III, LLC
General Partner Type: Joint Venture
Parent Company(ies): Vintage Housing Holdings, LLC
Hearthstone Housing Foundation
Developer: Vintage Housing Development, Inc.
Bond Issuer: California Statewide Communities Development Authority
Investor/Consultant: Aegon USA Realty Advisors, LLC
Management Agent: FPI Management Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 170
No. / % of Low Income Units: 168 100.00%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax Exempt

Information

Housing Type: Non-Targeted
 Geographic Area: Central Coast 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: 17	10%
50% AMI: 17	10%
60% AMI: 134	80%

Unit Mix

90 1-Bedroom Units
80 2-Bedroom Units
<u>170 Total Units</u>

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
9 1 Bedroom	30%	\$630
9 1 Bedroom	50%	\$1,051
70 1 Bedroom	60%	\$1,261
8 2 Bedrooms	30%	\$756
8 2 Bedrooms	50%	\$1,261
64 2 Bedrooms	60%	\$1,513
2 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,996,866
Construction Costs	\$46,260,422
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,773,573
Soft Cost Contingency	\$125,000
Relocation	\$0
Architectural/Engineering	\$850,000
Const. Interest, Perm. Financing	\$4,897,025
Legal Fees	\$251,588
Reserves	\$567,410
Other Costs	\$1,453,601
Developer Fee	\$7,827,236
Commercial Costs	\$0
Total	\$66,002,721

Residential

Construction Cost Per Square Foot:	\$376
Per Unit Cost:	\$388,251
True Cash Per Unit Cost*:	\$357,287

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
CitiCommunity Capital - Tax Exemp	\$34,078,256	CitiCommunity Capital	\$30,880,000
CitiCommunity Capital - Recycled B	\$5,500,000	Net Operating Income	\$2,242,756
CitiCommunity Capital - Taxable Ta	\$6,121,444	Deferred Developer Fees	\$5,263,911
Net Operating Income	\$2,242,756	Tax Credit Equity	\$27,616,054
Investor's Equity	\$9,665,619	TOTAL	\$66,002,721
Deferred Reserves	\$567,410		
Deferred Developer Fee	\$7,827,236		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$60,008,810
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$78,011,453
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,120,458
Approved Developer Fee (in Project Cost & Eligible Basis):	\$7,827,236
Investor/Consultant:	Aegon USA Realty Advisors, LLC
Federal Tax Credit Factor:	\$0.88500

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

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

This Project's annual per unit operating expense total is below the TCAC published per unit operating minimums of \$5,000. As allowed by TCAC Regulation Section 10327(g)(1), TCAC approves an annual per unit operating expense total of \$4,339 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.