

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2022 First Round

June 15, 2022

Citrus Gardens, located at 201 Citrus Avenue and 452 10th Street in Orange Cove requested and is being recommended for a reservation of \$1,026,860 in annual federal tax credits to finance the rehabilitation of 29 units of low-income 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 Fresno County and will be located in Senate District 14 and Assembly District 31.

Citrus Gardens will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Joe Serna program of HCD.

Project Number CA-22-008

Project Name Citrus Gardens

Site Address:	Site 1	Site 2
	201 Citrus Avenue Orange Cove, CA 94646 County: Fresno	452 10th Street Orange Cove, CA 94646 County: Fresno

Census Tract: 65.020

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,026,860	\$0
Recommended:	\$1,026,860	\$0

Applicant Information

Applicant: Housing Authority of Fresno County
Contact: Tyrone Roderick Williams
Address: 1331 Fulton Street
Fresno, CA 93721
Phone: (559) 443-8475
Email: twilliams@fresnohousing.org

General Partner(s) / Principal Owner(s):	Housing Authority of Fresno County Silvercrest, Inc.
General Partner Type:	Nonprofit
Parent Company(ies):	Housing Authority of Fresno County
Developer:	Housing Authority of Fresno County
Investor/Consultant:	CREA
Management Agent(s):	Fresno Housing Authority

Project Information

Construction Type: Rehabilitation-Only
 Total # Residential Buildings: 9
 Total # of Units: 30
 No. & % of Tax Credit Units: 29 100%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: HUD Section 8 Project-based Contract (15 Units - 50%)

Information

Set-Aside: Rural
 Housing Type: Large Family
 Geographic Area: Central Valley Region
 TCAC Project Analyst: Cynthia Compton

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 10	30%
At or Below 50% AMI: 8	35%
At or Below 60% AMI: 11	35%

Unit Mix

9 2-Bedroom Units
13 3-Bedroom Units
8 4-Bedroom Units
<u>30 Total Units</u>

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 2 Bedrooms	30%	\$471
5 3 Bedrooms	30%	\$543
2 4 Bedrooms	30%	\$606
2 2 Bedrooms	50%	\$785
3 3 Bedrooms	50%	\$906
3 4 Bedrooms	50%	\$1,011
4 2 Bedrooms	60%	\$942
4 3 Bedrooms	60%	\$1,087
3 4 Bedrooms	60%	\$1,213
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,155,000
Construction Costs	\$0
Rehabilitation Costs	\$5,000,000
Construction Contingency	\$750,000
Relocation	\$605,482
Architectural/Engineering	\$300,000
Const. Interest, Perm. Financing	\$753,859
Legal Fees	\$255,000
Reserves	\$122,811
Other Costs	\$517,106
Developer Fee	\$1,144,771
Commercial Costs	\$0
Total	\$12,604,029

Residential

Construction Cost Per Square Foot:	\$158
Per Unit Cost:	\$420,134
True Cash Per Unit Cost*:	\$411,801

Construction Financing

Source	Amount
US Bank	\$10,766,710
Donated Property Value	\$250,000
Deferred Costs	\$826,975
General Partner Equity	\$100
Tax Credit Equity	\$760,244

Permanent Financing

Source	Amount
HCD - Joe Serna	\$3,738,989
Donated Land	\$250,000
General Partner Equity	\$100
Tax Credit Equity	\$8,614,940
TOTAL	\$12,604,029

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

Determination of Credit Amount(s)

Requested Eligible Basis :	\$8,776,584
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$11,409,559
Total Maximum Annual Federal Credit:	\$1,026,860
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,144,771
Investor/Consultant:	CREA
Federal Tax Credit Factor:	\$0.83896

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: **50.147%**

Significant Information / Additional Conditions

At place-in-service, any units not occupied by income-qualified tenants will be not considered tax credit units and the applicable fraction will be adjusted accordingly. However, these units will be rent-restricted at 60% of area median income (AMI) in the recorded TCAC regulatory agreement in order to meet the scattered-site requirement of Section 42(g)(7) of the Internal Revenue Code. The recorded TCAC regulatory agreement will also require that upon turnover the unit(s) must be occupied by income-qualified tenants.

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 CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC 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 CTCAC 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, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, 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 CTCAC 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 1 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/2 mile of an Elementary school	3	3	3
Within 1 mile of medical clinic or hospital	3	3	3
Within 1 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
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.