

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2022 First Round

June 15, 2022

Coloma Woods, located at 2320 Heather Glen Lane in Rancho Cordova, requested and is being recommended for a reservation of \$721,390 in annual federal tax credits and \$2,385,735 in total state tax credits to finance the acquisition and rehabilitation of 28 affordable units of housing serving tenants to households earning 30%-60% of area median income (AMI). The project will be developed by Community Preservation Partners, LLC and is located in Senate District 4 and Assembly District 8.

Coloma Woods will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number CA-22-012

Project Name Coloma Woods
Site Address: 2320 Heather Glen Lane
Rancho Cordova, CA 95670 County: Sacramento
Census Tract: 89.05

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$721,390	\$2,385,735
Recommended:	\$721,390	\$2,385,735

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant: Coloma Woods Community Partners, LP
Contact: Anand Kannan
Address: 17782 Sky Park Circle
Irvine, CA 92614
Phone: 949.236.8278
Email: akannan@cpp-housing.com

General Partner(s) / Principal Owner(s): WNC - Coloma Woods GP, LLC
FFAH II Coloma Woods LLC
General Partner Type: Joint Venture
Parent Company(ies): WNC Development Partners, LLC
Foundation For Affordable Housing V, Inc.
Developer: Community Preservation Partners, LLC
Investor/Consultant: WNC & Associates, Inc.
Management Agent(s): Arrowhead Housing, Inc.

Project Information

Construction Type: Acquisition & Rehabilitation
Total # Residential Buildings: 7
Total # of Units: 29
No. & % of Tax Credit Units: 28 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project Based Contract (28 Units - 100%)

Information

Set-Aside: At-Risk
 Housing Type: At-Risk
 Geographic Area: Capital Region
 TCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 6	20%
At or Below 50% AMI: 12	40%
At or Below 60% AMI: 10	35%

Unit Mix

<u>29 1-Bedroom Units</u>
29 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 1 Bedroom	30%	\$510
12 1 Bedroom	50%	\$850
10 1 Bedroom	60%	\$1,020
1 1 Bedroom	Manager's Unit	\$973

Project Cost Summary at Application

Land and Acquisition	\$9,050,000
Construction Costs	\$0
Rehabilitation Costs	\$3,361,450
Construction Contingency	\$433,140
Relocation	\$30,100
Architectural/Engineering	\$187,000
Const. Interest, Perm. Financing	\$591,050
Legal Fees	\$65,000
Reserves	\$128,000
Other Costs	\$379,203
Developer Fee	\$986,798
Commercial Costs	\$0
Total	\$15,211,741

Residential

Construction Cost Per Square Foot:	\$175
Per Unit Cost:	\$524,543
True Cash Per Unit Cost*:	\$523,109

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Greystone HUD 221(d)(4)	\$6,903,900	Greystone HUD 221(d)(4)	\$6,903,900
Net Operating Income	\$200,870	Net Operating Income	\$200,870
Deferred Developer Fee	\$954,298	Deferred Developer Fee	\$41,577
Tax Credit Equity	\$7,152,673	Tax Credit Equity	\$8,065,394
		TOTAL	\$15,211,741

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$5,495,449
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$5,670,000
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$5,495,449
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$5,670,000
Maximum Annual Federal Credit, Rehabilitation:	\$494,590
Maximum Annual Federal Credit, Acquisition:	\$226,800
Total Maximum Annual Federal Credit:	\$721,390
Total State Credit:	\$2,385,735
Approved Developer Fee (in Project Cost & Eligible Basis):	\$986,798
Investor/Consultant:	WNC & Associates, Inc.
Federal Tax Credit Factor:	\$0.87000
State Tax Credit Factor:	\$0.75000

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:	At-Risk
Final:	9.757%

Significant Information / Additional Conditions

This Project's annual per unit operating expense total is below the CTCAC published per unit operating minimums of \$5,100. As allowed under CTCAC regulation Section 10327(g)(1), which allows up to a 15% reduction to the CTCAC operating expense minimum with CTCAC approval. CTCAC approves an annual per unit operating expense total of \$4,894.

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 TCAC.

The applicant must pay TCAC a performance deposit and allocation 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.

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, service every 30 minutes in rush hours	6	6	6
Within ½ mile of public park or community center open to general public	3	3	3
Within 1½ miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3
Within 1 mile of a pharmacy	1	1	1
In-unit high speed internet service	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
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
Smoke Free Residence	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.