

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 First Round**

**June 15, 2022**

Baumgardner Village, located at 28195 Highway 101 in Cloverdale, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$8,330,145 in total state tax credits to finance the new construction of 58 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 Corporation for Better Housing and will be located in Senate District 2 and Assembly District 2.

**Project Number** CA-22-029

**Project Name** Baumgardner Village  
**Site Address:** 28195 Highway 101  
Cloverdale, CA 95425 County: Sonoma  
**Census Tract:** 1542.020

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,500,000	\$8,330,145
Recommended:	\$2,500,000	\$8,330,145

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

**Applicant Information**

**Applicant:** 28195 Highway 101, L.P., a California limited partnership  
**Contact:** Lori Koester  
**Address:** 20750 Ventura Boulevard, Suite 155  
Woodland Hills, CA 91364  
**Phone:** (818) 905-2430  
**Email:** lkoester@corpoffices.org

**General Partner(s) / Principal Owner(s):** Corporation for Better Housing  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** Corporation for Better Housing  
**Developer:** Corporation for Better Housing  
**Investor/Consultant:** Alliant Capital, Ltd.  
**Management Agent(s):** WinnResidential California LP

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 59  
**Total # of Units:** 59  
**No. & % of Tax Credit Units:** 58 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** USDA RHS 514 loan / USDA RHS Section 521  
Rental Assistance (58 units/100%)

**Information**

Set-Aside: Rural apportionment (Section 514)  
Housing Type: Large Family  
Geographic Area: N/A  
CTCAC Project Analyst: Cynthia Compton

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI:	6	10%
At or Below 45% AMI:	9	15%
At or Below 50% AMI (Rural):	29	50%
At or Below 60% AMI:	14	20%

**Unit Mix**

22 2-Bedroom Units
32 3-Bedroom Units
5 4-Bedroom Units
<u>59 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 2 Bedrooms	30%	\$785
3 2 Bedrooms	45%	\$1,177
10 2 Bedrooms	50%	\$1,308
7 2 Bedrooms	60%	\$1,570
4 3 Bedrooms	30%	\$907
5 3 Bedrooms	45%	\$1,361
16 3 Bedrooms	50%	\$1,512
7 3 Bedrooms	60%	\$1,815
1 4 Bedrooms	30%	\$1,012
1 4 Bedrooms	45%	\$1,518
3 4 Bedrooms	50%	\$1,687
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,221,900
Construction Costs	\$30,915,640
Rehabilitation Costs	\$0
Construction Contingency	\$1,840,782
Relocation	\$0
Architectural/Engineering	\$874,600
Const. Interest, Perm. Financing	\$3,032,186
Legal Fees	\$160,000
Reserves	\$477,400
Other Costs	\$2,957,168
Developer Fee	\$1,850,000
Commercial Costs	\$0
<b>Total</b>	<b>\$43,329,676</b>

## Residential

Construction Cost Per Square Foot:	\$378
Per Unit Cost:	\$734,401
True Cash Per Unit Cost:	\$719,060

### Construction Financing

Source	Amount
Pacific Western Bank	\$35,000,000
Tax Credit Equity	\$6,258,276

### Permanent Financing

Source	Amount
Pacific Western Bank	\$9,417,800
USDA 514	\$3,000,000
Deferred Developer Fee	\$905,124
Photovoltaic Tax Credit Equity	\$217,445
Tax Credit Equity	\$29,789,307
<b>TOTAL</b>	<b>\$43,329,676</b>

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,777,778
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,778
Applicable Rate:	9.00%
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$8,330,145
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,850,000
Investor/Consultant:	Alliant Capital, Ltd.
Federal Tax Credit Factor:	\$0.94500
State Tax Credit Factor:	\$0.74000

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:	<b>Large Family</b>
Final:	<b>34.263%</b>

### Significant Information / Additional Conditions

By placed-in-service, all lot line adjustments must be completed where only the property the Tax Credit Project covers shall be recorded on the Regulatory Agreement.

**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.

CTCAC 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 CTCAC 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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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 a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1.5 miles of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**