

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**Tax-Exempt Bond Project**  
**June 15, 2022**

Vine Creek Apartments, located at the NW Corner of Main Street and Pujol Street in Temecula, requested and is being recommended for a reservation of \$1,162,746 in annual federal tax credits and \$8,720,595 in total state tax credits to finance the new construction of 59 units of housing serving large families with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 28 and Assembly District 75.

**Project Number** CA-22-432

**Project Name** Vine Creek Apartments  
 Site Address: NW Corner of Main Street and Pujol Street  
 Temecula CA, 92590 County: Riverside  
 Census Tract: 512.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$1,162,746	\$8,720,595
Recommended:	\$1,162,746	\$8,720,595

\* The applicant made an election to sell (Certificate) all or any portion of the state credits.

**Applicant Information**

Applicant: Riverside Charitable Corporation, a California Nonprofit  
 Contact: Recinda Shafer  
 Address: 14131 Yorba Street  
 Tustin CA, 92780  
 Phone: (714) 628-1654  
 Email: recinda@riversidecharitable.org

General Partner(s) or Principal Owner(s): RCC MGP LLC  
 TPC Holdings IX, LLC

General Partner Type: Joint Venture  
 Parent Company(ies): Riverside Charitable Corporation  
 The Pacific Companies

Developer: Pacific West Communities, Inc.  
 Bond Issuer: California Municipal Finance Authority (CMFA)  
 Investor/Consultant: Boston Financial  
 Management Agent: ConAm Management Corporation

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 2  
 Total # of Units: 60  
 No. / % of Low Income Units: 59 100.00%  
 Federal Set-Aside Elected: 40%/60% Average Income  
 Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Large Family  
 Geographic Area: Inland Empire Region  
 TCAC Project Analyst: Dylan Hervey

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 7	12%
50% AMI: 6	10%
60% AMI: 33	56%
80% AMI: 13	22%

**Unit Mix**

7 1-Bedroom Units
32 2-Bedroom Units
21 3-Bedroom Units
<u>60 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 1 Bedroom	30%	\$444
1 1 Bedroom	50%	\$740
3 1 Bedroom	60%	\$888
1 1 Bedroom	80%	\$1,185
3 2 Bedrooms	30%	\$533
3 2 Bedrooms	50%	\$888
18 2 Bedrooms	60%	\$1,066
8 2 Bedrooms	80%	\$1,422
2 3 Bedrooms	30%	\$616
2 3 Bedrooms	50%	\$1,027
12 3 Bedrooms	60%	\$1,233
4 3 Bedrooms	80%	\$1,644
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,412,572
Construction Costs	\$20,074,757
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,000,000
Soft Cost Contingency	\$500,000
Relocation	\$0
Architectural/Engineering	\$745,000
Const. Interest, Perm. Financing	\$1,234,700
Legal Fees	\$80,000
Reserves	\$256,381
Other Costs	\$2,211,073
Developer Fee	\$3,842,200
Commercial Costs	\$0
<b>Total</b>	<b>\$33,356,683</b>

**Residential**

Construction Cost Per Square Foot:	\$355
Per Unit Cost:	\$555,945
True Cash Per Unit Cost*:	\$527,104

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Source	Amount	Source	Amount
CB&T	\$18,000,000	CB&T	\$5,200,000
City of Temecula - Land	\$710,000	City of Temecula - Land	\$710,000
City of Temecula - Capital Loan	\$5,301,719	City of Temecula - Capital Loan	\$5,301,719
Deferred Fees	\$698,281	Deferred Fees	\$698,281
County of Riverside - PLHA	\$2,800,000	County of Riverside - PLHA	\$2,800,000
WRCOG - TUMF Fee Waiver <sup>1</sup>	\$388,220	WRCOG - TUMF Fee Waiver	\$388,220
Costs Deferred	\$256,381	Deferred Developer Fee	\$1,342,200
Deferred Developer Fee	\$3,842,200	Tax Credit Equity	\$16,916,263
Tax Credit Equity	\$1,359,882	<b>TOTAL</b>	<b>\$33,356,683</b>

<sup>1</sup>WRCOG Western Riverside Council of Governments

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$29,068,650
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$29,068,650
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,162,746
Total State Credit:	\$8,720,595
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,842,200
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.83992
State Tax Credit Factor:	\$0.81992

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.** None.

**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.