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

Vitalia Apartments, located at the south side of Gerald Ford Drive in Palm Desert, requested and is being recommended for a reservation of $4,100,593 in annual federal tax credits and $23,657,266 in total state tax credits to finance the new construction of 266 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 Communites, Inc. and will be located in Senate District 28 and Assembly District 42.

Project Number   CA-22-433

Project Name   Vitalia Apartments
    Site Address: South side of Gerald Ford Drive, West of Portola Road
                          Palm Desert CA, 92211   County: Riverside
    Census Tract: 449.22

Tax Credit Amounts	**Federal/Annual**	**State/Total ***
Requested:	$4,100,593	$23,657,266
Recommended:	$4,100,593	$23,657,266

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

Applicant Information
    Applicant: Central Valley Coalition for Affordable Housing, a California Nonpro
    Contact: Christina Alley
    Address: 3351 M Street, Suite 100
                          Merced CA, 95348
    Phone: 209.388.072
    Email: chris@centralvalleycoalition.com

    General Partner(s) or Principal Owner(s):   Central Valley Coalition for Affordable Housing
                                                 TPC Holdings IX, LLC
    General Partner Type: Joint Venture
    Parent Company(ies):   Central Valley Coalition for Affordable Housing
                                                 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:	13
Total # of Units:	269
No. / % of Low Income Units:	266 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt

Information

Housing Type:	Large Family
Geographic Area:	Inland Empire Region
CTCAC Project Analyst:	Nick White

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	81	30%
60% AMI:	133	50%
80% AMI:	52	20%

Unit Mix

131	1-Bedroom Units
70	2-Bedroom Units
68	3-Bedroom Units
269	Total Units

Unit Type & Number		2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
39	1 Bedroom	30%	$436
65	1 Bedroom	60%	$872
27	1 Bedroom	80%	$1,163
21	2 Bedrooms	30%	$523
34	2 Bedrooms	60%	$1,046
12	2 Bedrooms	80%	$1,395
21	3 Bedrooms	30%	$605
34	3 Bedrooms	60%	$1,209
13	3 Bedrooms	80%	$1,612
3	2 Bedrooms	Manager's Unit	$0

Project Cost Summary at Application

Land and Acquisition	$7,159,524
Construction Costs	$52,841,742
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$3,000,000
Soft Cost Contingency	$500,000
Relocation	$0
Architectural/Engineering	$990,000
Const. Interest, Perm. Financing	$4,040,800
Legal Fees	$100,000
Reserves	$839,139
Other Costs	$5,323,444
Developer Fee	$10,332,884
Commercial Costs	$0
Total	**$85,127,533**

Residential

Construction Cost Per Square Foot:	$261
Per Unit Cost:	$316,459
True Cash Per Unit Cost*:	$294,535

Construction Financing		**Permanent Financing**	
Source	Amount	Source	Amount
Citibank - T.E. Bonds (Series A)	$44,000,000	Citibank - T.E. Bonds (Series A)	$19,000,000
Citibank - Taxable Bonds	$18,000,000	City of Palm Desert	$6,030,000
City of Palm Desert	$6,030,000	CVAG	$361,228
CVAG	$361,228	Defered Developer Fee	$5,897,750
Defered Developer Fee	$10,332,884	Tax Credit Equity	$53,838,555
Defered Cost	$839,139	**TOTAL**	**$85,127,533**
Tax Credit Equity	$5,564,282		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$78,857,554
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$102,514,820
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$4,100,593
Total State Credit:	$23,657,266
Approved Developer Fee (in Project Cost & Eligible Basis):	$10,332,884
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

This Project's annual per unit operating expense total is below the CCTCAC published per unit operating minimums of $4,900. As allowed by CCTCAC Regulation Section 10327(g)(1), CCTCAC approves an annual per unit operating expense total of $4,511 on agreement of the permanent lender and equity

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.

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 reservation 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.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CCCTCAC placed in service review, CCCTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.