

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report  
Tax-Exempt Bond Project  
June 15, 2022**

Sarah's Court Apartments, located at 200 N. Salma Avenue in Fresno, requested and is being recommended for a reservation of \$1,223,953 in annual federal tax credits and \$9,179,645 in total state tax credits to finance the new construction of 119 units of housing serving large families with rents affordable to households earning 30%-70% of area median income (AMI). The project will be developed by Dominus Consortium Family LLC and will be located in Senate District 8 and Assembly District 23.

The project financing includes state funding from the Mixed-Income Program (MIP) through CalHFA.

**Project Number** CA-22-484

**Project Name** Sarah's Court Apartments  
**Site Address:** 200 N. Salma Avenue  
Fresno, CA 93727 County: Fresno  
**Census Tract:** 14.11

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$1,223,953	\$9,179,645
Recommended:	\$1,223,953	\$9,179,645

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

**Applicant Information**

**Applicant:** FCTC Family, LP  
**Contact:** Sal Gonzales  
**Address:** 265 East River Park Circle, Ste. 150  
Fresno, CA 93720  
**Phone:** (559) 712-1204  
**Email:** sgonzales@lance-kashian.com

**General Partner(s) or Principal Owner(s):** Dominus Consortium Family LLC  
Community Revitalization and Development Corporation

**General Partner Type:** Joint Venture

**Parent Company(ies):** Essayons, a Limited Partnership  
Negocios De Familia LLC  
Community Revitalization and Development Corporation

**Developer:** Dominus Consortium Family LLC

**Bond Issuer:** California Housing Finance Agency

**Investor/Consultant:** Boston Financial

**Management Agent:** GSF Properties, Inc.

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 4  
 Total # of Units: 120  
 No. / % of Low Income Units: 119 100.00%  
 Federal Set-Aside Elected: 40%/60% Average Income  
 Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Large Family  
 Geographic Area: Central Valley Region  
 TCAC Project Analyst: Tiffani Negrete

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 12	10%
50% AMI: 24	20%
60% AMI: 71	60%
70% AMI: 12	10%

**Unit Mix**

60 1-Bedroom Units
30 2-Bedroom Units
30 3-Bedroom Units
<u>120 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 1 Bedroom	30%	\$392
12 1 Bedroom	50%	\$653
35 1 Bedroom	60%	\$784
6 1 Bedroom	70%	\$915
3 2 Bedrooms	30%	\$471
6 2 Bedrooms	50%	\$785
18 2 Bedrooms	60%	\$942
3 2 Bedrooms	70%	\$1,099
3 3 Bedrooms	30%	\$543
6 3 Bedrooms	50%	\$906
18 3 Bedrooms	60%	\$1,087
3 3 Bedrooms	70%	\$1,268
1 1 Bedroom	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,400,000
Construction Costs	\$21,828,667
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,091,432
Soft Cost Contingency	\$200,000
Relocation	\$0
Architectural/Engineering	\$1,080,000
Const. Interest, Perm. Financing	\$1,384,925
Legal Fees	\$180,000
Reserves	\$464,422
Other Costs	\$2,008,853
Developer Fee	\$3,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$33,838,299</b>

**Residential**

Construction Cost Per Square Foot:	\$185
Per Unit Cost:	\$281,986
True Cash Per Unit Cost*:	\$271,254

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Source	Amount	Source	Amount
Banner Bank - T.E. Bonds	\$18,149,352	CalHFA - T.E. Bonds	\$5,650,825
Banner Bank	\$2,270,583	CalHFA - MIP	\$2,850,000
City of Fresno	\$6,180,000	City of Fresno	\$6,180,000
Deferred Reserves	\$464,422	Deferred Developer Fees	\$1,287,762
Deferred Developer Fee	\$3,200,000	Tax Credit Equity	\$17,869,712
Tax Credit Equity	\$3,573,942	<b>TOTAL</b>	<b>\$33,838,299</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$30,598,822
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$30,598,822
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,223,953
Total State Credit:	\$9,179,645
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,200,000
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.89000
State Tax Credit Factor:	\$0.76000

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**

The current legal description is part of a larger site and the project site’s parcel (legal description and APN) have not yet been finalized. The legal description and APN for the project must be completed prior to submitting the placed in service package.

**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.