

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

Silvey Villas at Homestead located at North Parkway and Whispering Way in Dixon, requested and is being recommended for a reservation of \$1,040,780 in annual federal tax credits and \$7,803,933 in total state tax credits to finance the new construction of 71 units of housing serving seniors with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Hampstead Development Partners, Inc. and will be located in Senate District 3 and Assembly District

Project Number CA-22-508

Project Name Silvey Villas at Homestead
Site Address: North Parkway and Whispering Dove Drive
Dixon, CA 95620 County: Solano
Census Tract: 2534.03

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,040,780	\$7,803,933
Recommended:	\$1,040,780	\$7,809,933

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

Applicant Information

Applicant: Affordable Housing Community Development Corporation
Contact: Walt McGill
Address: 501 Cambridge Court
Alpharetta, GA 30005
Phone: 678-867-6784
Email: waltmcgill@gmail.com

General Partner(s) or Principal Owner(s): Silvey Villas GP, LLC
Affordable Housing Community Development Corporation

General Partner Type: Joint Venture

Parent Company(ies): Silvey Villas GP, LLC
Affordable Housing Community Development Corporation

Developer: Hampstead Development Partners, Inc.

Bond Issuer: CSCDA

Investor/Consultant: Candeur Group, LLC.

Management Agent: FPI Management

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 9
 Total # of Units: 72
 No. / % of Low Income Units: 71 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / Section 8 Project-based Vouchers (8 units - 11%)

Information

Housing Type: Seniors
 Geographic Area: Northern Region
 TCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 8	11%
50% AMI: 8	11%
60% AMI: 55	77%

Unit Mix

54 1-Bedroom Units
18 2-Bedroom Units
<u>72 Total Units</u>

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 1 Bedroom	30%	\$546
6 1 Bedroom	50%	\$910
42 1 Bedroom	60%	\$1,092
2 2 Bedrooms	30%	\$655
2 2 Bedrooms	50%	\$1,092
13 2 Bedrooms	60%	\$1,311
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$400
Construction Costs	\$15,944,944
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$797,247
Soft Cost Contingency	\$75,000
Relocation	\$0
Architectural/Engineering	\$586,200
Const. Interest, Perm. Financing	\$2,503,353
Legal Fees	\$201,500
Reserves	\$0
Other Costs	\$3,217,096
Developer Fee	\$3,397,954
Commercial Costs	\$0
Total	\$26,723,694

Residential

Construction Cost Per Square Foot:	\$305
Per Unit Cost:	\$371,162
True Cash Per Unit Cost*:	\$341,962

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Red Stone - Tax Exempt	\$13,500,000	Red Stone	\$8,150,000
Red Stone - Taxable	\$4,748,953	Capital Loan	\$1,001,552
Capital Loan	\$1,001,552	Photovoltaic Tax Credit Equity	\$67,694
Deferred Developer Fee	\$2,102,438	Deferred Developer Fee	\$2,102,438
Photovoltaic Tax Credit Equity	\$67,694	Tax Credit Equity	\$15,402,010
Tax Credit Equity	\$5,303,057	TOTAL	\$26,723,694

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$26,019,512
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$26,019,512
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,040,780
Total State Credit:	\$7,803,933
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,397,954
Investor/Consultant:	Candeur Group, LLC.
Federal Tax Credit Factor:	\$0.88000
State Tax Credit Factor:	\$0.80000

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.