

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2022 Second Round

September 28, 2022

Eaglepointe Apartments, located at 5975 Maxwell Drive in Paradise, requested and is being recommended for a reservation of \$1,470,917 in annual federal tax credits to finance the new construction of 42 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 4 and Assembly District 3.

The project financing includes state funding from the Community Development Block Grant Program-Disaster Recovery (CDBG-DR) program of HCD.

Project Number CA-22-051

Project Name Eaglepointe Apartments
Site Address: 5975 Maxwell Drive
Paradise, CA 95969 County: Butte
Census Tract: 21.000

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,470,917	\$0
Recommended:	\$1,470,917	\$0

Applicant Information

Applicant: Eaglepointe Pacific Associates, a California Limited Partnership
Address: 430 E. State Street, Suite 100
Eagle, ID 83616
Phone: (208) 461-0022
Email: calebr@tpchousing.com

General Partner(s) / Principal Owner(s): Butte County Affordable Housing Development Corporation
TPC Holdings IX, LLC

Parent Company(ies): Butte County Affordable Housing Development Corporation
The Pacific Companies

Developer: Pacific West Communities, Inc.
Investor/Consultant: Boston Financial
Management Agent(s): Cambridge Real Estate Services

Project Information

Construction Type: New Construction
Total # Residential Buildings: 5
Total # of Units: 43
No. & % of Tax Credit Units: 42 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: CDBG-DR

Information

Set-Aside: Rural
Housing Type: Large Family
Geographic Area: N/A
CTCAC Project Analyst: Tiffani Negrete

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	5	10%
At or Below 40% AMI:	5	10%
At or Below 50% AMI (Rural):	22	50%
At or Below 60% AMI:	10	20%

Unit Mix

12 1-Bedroom Units
19 2-Bedroom Units
12 3-Bedroom Units
<u>43 Total Units</u>

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 1 Bedroom	30%	\$438
2 1 Bedroom	40%	\$585
6 1 Bedroom	50%	\$731
3 1 Bedroom	60%	\$877
2 2 Bedrooms	30%	\$526
2 2 Bedrooms	40%	\$702
10 2 Bedrooms	50%	\$877
4 2 Bedrooms	60%	\$1,053
2 3 Bedrooms	30%	\$607
1 3 Bedrooms	40%	\$810
6 3 Bedrooms	50%	\$1,013
3 3 Bedrooms	60%	\$1,215
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$885,000
Construction Costs	\$14,347,172
Rehabilitation Costs	\$0
Construction Contingency	\$1,010,000
Relocation	\$0
Architectural/Engineering	\$590,000
Const. Interest, Perm. Financing	\$703,400
Legal Fees	\$75,000
Reserves	\$203,210
Other Costs	\$636,531
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$20,650,313

Residential

Construction Cost Per Square Foot:	\$361
Per Unit Cost:	\$480,240
True Cash Per Unit Cost*:	\$480,240

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
California Bank & Trust	\$9,651,072	California Bank & Trust	\$1,200,000
CDBG-DR	\$7,390,000	CDBG-DR	\$7,390,000
Deferred Developer Fee	\$2,200,000	Tax Credit Equity	\$12,060,313
Deferred Costs	\$203,210	TOTAL	\$20,650,313
Tax Credit Equity	\$1,206,031		

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

Determination of Credit Amount

Requested Eligible Basis:	\$16,343,527
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$16,343,527
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,470,917
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.81992

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:	Large Family
Final:	51.214%
CTCAC Final:	51.214%

Significant Information / Additional Conditions: None.

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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Van or dial-a-ride service for rural set-aside	4	4	4
Within 1 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	3	3	3
Within 2 miles of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1/4 mile of a public elementary school	3	3	3
Within 1 mile of a pharmacy	2	2	2
Highest or High Resources Area	8	8	8
Service Amenities	10	10	10
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
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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.