

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2022 Second Round

September 28, 2022

WISEPlace Permanent Supportive Housing (PSH), located at 1411 N. Broadway in Santa Ana, requested and is being recommended for a reservation of \$2,114,929 in annual federal tax credits to finance the new construction and adaptive reuse of 47 units of housing serving special needs tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Jamboree Housing Corporation and will be located in Senate District 34 and Assembly District 69.

The project financing includes state funding from the Mental Health Service Act (MHSA) through CalHFA.

Project Number CA-22-054

Project Name WISEPlace Permanent Supportive Housing (PSH)
Site Address: 1411 N. Broadway
Santa Ana, CA 92706 County: Orange
Census Tract: 750.030

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,114,929	\$0
Recommended:	\$2,114,929	\$0

Applicant Information

Applicant: Jamboree Housing Corporation
Contact: Tish Kelly
Address: 17701 Cowan Avenue, Suite 200
Irvine, CA 92614
Phone: 949-214-2350
Email: tkelly@jamboreehousing.com

General Partner(s) / Principal Owner(s): JHC - North Broadway LLC
WISEPlace LLC

General Partner Type: Nonprofit

Parent Company(ies): Jamboree Housing Corporation
WISEPlace

Developer: Jamboree Housing Corporation

Investor/Consultant: Bank of America

Management Agent(s): Quality Management Group

Project Information

Construction Type: New Construction & Adaptive Reuse
Total # Residential Buildings: 1
Total # of Units: 48
No. & % of Tax Credit Units: 47 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME / HUD Section 8 Project-based Vouchers (25 units - 53%)

Information

Set-Aside: N/A
Housing Type: Special Needs
Type of Special Needs: Homeless/formerly homeless
Average Targeted Affordability of Special Needs/SRO Project Units: 30.00%
% of Special Need Units: 47 units 100.00%
Geographic Area: Orange County
CTCAC Project Analyst: Dylan Hervey

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AMI:	47	80%

Unit Mix

47 SRO/Studio Units
1 2-Bedroom Units
48 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
25 SRO/Studio	30%	\$286
22 SRO/Studio	30%	\$286
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Construction Costs	\$18,158,013
Construction Contingency	\$1,496,941
Architectural/Engineering	\$808,140
Const. Interest, Perm. Financing	\$1,205,768
Legal Fees	\$250,000
Reserves	\$2,240,453
Other Costs	\$2,332,443
Developer Fee	\$2,200,000
Total	\$28,691,758

Residential

Construction Cost Per Square Foot:	\$413
Per Unit Cost:	\$597,745
True Cash Per Unit Cost*:	\$597,745

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Bank of America	\$13,010,368	City of Santa Ana	\$5,256,327
City of Santa Ana	\$3,956,327	Orange County Housing Finance Trust	\$2,480,030
Orange County Housing Finance Trust	\$2,480,030	County of Orange - ARPA ¹	\$1,500,000
County of Orange - ARPA ¹	\$1,500,000	Tax Credit Equity	\$19,455,401
Deferred Fee and Costs	\$3,853,953	TOTAL	\$28,691,758
Tax Credit Equity	\$3,891,080		

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

¹American Rescue Plan Act (ARPA)

Determination of Credit Amount(s)

Requested Eligible Basis:	\$18,076,319
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$23,499,215
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,114,929
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Bank of America
Federal Tax Credit Factor:	\$0.91991

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

Final: 60.14%
CTCAC Final: 60.14%

Significant Information / Additional Conditions.

Staff noted the hard cost contingency, as reflected in the project’s Application Sources & Uses table, exceeds 10% of the project’s total hard construction costs.

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.

The Local Reviewing Agency, <LRA name>, has completed a site review of this project and <strongly/does not> supports this project.

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
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within ¼ mile of a neighborhood market of at least 5,000 sf	4	4	4
Within ½ mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
SPECIAL NEEDS HOUSING TYPE			
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
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.