



California Tax Credit Allocation Committee

**CTCAC**

**Committee Meeting**

**Wednesday, September 28, 2022**

**9:15 AM or upon adjournment of the  
CDLAC meeting**



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

### MEETING NOTICE

### AGENDA

MEETING DATE:

**September 28, 2022**

TIME:

**9:15 AM or upon Adjournment of the  
California Debt Limit Allocation Committee Meeting**

LOCATION:

State Treasurer's Office  
915 Capitol Mall, Room 587  
Sacramento, CA 95814

BOARD MEMBERS (voting)

FIONA MA, CPA, CHAIR  
State Treasurer

BETTY YEE  
State Controller

JOE STEPHENSHAW  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

DIRECTOR

NANCEE ROBLES  
Executive Director

**Members of the public are invited to participate in person, remotely via TEAMS, or by telephone.\***

[Click here to Join Teams Meeting \(full link below\)](#)

**Public Participation Call-In Number**

**(888) 557-8511**

**Participant Code:**

**5651115**

The California Tax Credit Allocation Committee (CTCAC) may take action on any item.

Items may be taken out of order.

There will be an opportunity for public comment at the end of each item, prior to any action.

**1. Call to Order and Roll Call**

*Action Item:* **2. Approval of the Minutes of the July 20, 2022, Meeting**

*Informational:* **3. Executive Director's Report**  
*Presented by: Nancee Robles*

*Action Item:* **4. Discussion and Consideration of appeals filed under California Code of Regulations, title 4, section 10330, and if appeal is granted, a Reservation of 2022 Second Round Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) - See Exhibit A for a list of appeals.**  
*Presented by: Gabrielle Stevenson*

*Action Item:* **5. Recommendation for Reservation of 2022 Second Round Federal 9% and State LIHTCs**  
[9% Preliminary Recommendations](#)  
*Presented by: Gabrielle Stevenson*



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

### 6. Public Comment

### 7. Adjournment

#### **FOR ADDITIONAL INFORMATION**

Nancee Robles, Executive Director, CTCAC  
915 Capitol Mall, Room 485, Sacramento, CA 95814  
(916) 654-6340

*This notice may also be found on the following Internet site:*

[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

\*Interested members of the public may use the call-in number or TEAMS to listen to and/or comment on items before CTCAC. Additional instructions will be provided to participants once they call the indicated number or join via TEAMS. The call-in number and TEAMS information are provided as an option for public participation but CTCAC is not responsible for unforeseen technical difficulties that may occur. CTCAC is under no obligation to postpone or delay its meeting in the event such technical difficulties occur during or before the meeting.

CTCAC complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities, and providing this notice and information given to the members of CTCAC in appropriate alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, please contact CTCAC staff no later than five calendar days before the meeting at (916) 654-6340 and Telecommunication Device for the Deaf (TDD) at (916) 654-9922.

#### Full TEAMS Link

[https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_ZmU3NGFkODgtNjkwZS00Yjc5LWEzNzgtMDU4YWQ5NzA2Nzk1%40thread.v2/0?context=%7b%22Tid%22%3a%223bee5c8a-6cb4-4c10-a77b-cd2eae7534e%22%2c%22Oid%22%3a%22f752cd03-38f5-48bd-b424-4bbeb3ad62eb%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZmU3NGFkODgtNjkwZS00Yjc5LWEzNzgtMDU4YWQ5NzA2Nzk1%40thread.v2/0?context=%7b%22Tid%22%3a%223bee5c8a-6cb4-4c10-a77b-cd2eae7534e%22%2c%22Oid%22%3a%22f752cd03-38f5-48bd-b424-4bbeb3ad62eb%22%7d)

**Exhibit A**  
**Appeals filed under Agenda Item 4**

1. Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of Village Senior Apartments (CA-22-049) affecting the 2022 Second Round Application for Reservation of Federal Nine Percent (9%) Low Income Housing Tax Credits (LIHTCs) **in the Rural Set-Aside**.
  - If the appeal for Village Senior Apartments (CA-22-049) is granted, Village Senior Apartments (CA-22-049) will be recommended for a Reservation of Federal 9% LIHTCs and Newmark Village Apartments (CA-22-055) will not be recommended for a Reservation of Federal 9% LIHTCs.
  
2. Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of Palmer Park Manor (CA-22-044) affecting the 2022 Second Round Application for Reservation of Federal 9% LIHTCs **in Balance of Los Angeles County**.
  - If the appeal for Palmer Park Manor (CA-22-044) regarding the disqualification and point score reduction is granted, Palmer Park Manor (CA-22-044) will be recommended for a Reservation of Federal 9% LIHTCs.
  
3. Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of The Hunter House (CA-22-093) affecting the 2022 Second Round Application for Reservation of Federal 9% and State LIHTCs **in the Central Valley Region**.
  - If the appeal for The Hunter House (CA-22-093) regarding the disqualification and point score reduction is granted, The Hunter House (CA-22-093) will be recommended for a Reservation of Federal 9% and State LIHTCs and Avalon Commons – Phase I (CA-22-073) will not be recommended for a Reservation of Federal 9% and State LIHTCs.
  
4. Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of Estrella (CA-22-089) affecting the 2022 Second Round Application for Reservation of Federal 9% LIHTCs **in San Diego County**.
  - Estrella (CA-22-089) is currently on the preliminary recommendation list and the outcome of the appeal does not impact its current status.
  
5. Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of North Housing PSH I (CA-22-085) affecting the 2022 Second Round Application for Reservation of Federal 9% and State LIHTCs **in the East Bay Region**.
  - If the appeal for North Housing PSH I (CA-22-085) regarding the disqualification and point score reduction is granted, North Housing PSH I (CA-22-085) will be recommended for a Reservation of Federal 9% and State LIHTCs and Alvarado Gardens (CA-22-082) will not be recommended for a Reservation of Federal 9% LIHTCs.

## Exhibit A

6. Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of Baden Station (CA-22-080) affecting the 2022 Second Round Application for Reservation of Federal 9% LIHTCs **in the South and West Bay Region.**\*

- If the appeal for Baden Station (CA-22-080) regarding the disqualification and point score reduction is granted, Baden Station (CA-22-080) will be recommended for a Reservation of Federal 9% LIHTCs.

**\*At the time of this publication, it is not known the complete list of applicants who will file appeals for consideration by the California Tax Credit Allocation Committee (CTCAC). CTCAC staff has listed all potential, known appeals.**



California Tax Credit Allocation Committee

**AGENDA ITEM 2**

**Approval of the Minutes**

**of the July 20, 2022,**

**Meeting**



## California Tax Credit Allocation Committee

915 Capitol Mall, Conf Rm 587  
Sacramento, CA 95814

July 20, 2022

### CTCAC Committee Meeting Minutes

#### 1. *Agenda Item: Call to Order and Roll Call*

The California Tax Credit Allocation Committee (CTCAC) meeting was called to order at 2:00 p.m. with the following committee members:

Voting Members: Fiona Ma, CPA, California State Treasurer, Chairperson  
Anthony Sertich for California State Controller Betty T. Yee  
Lourdes Castro Ramirez for Department of Finance (DOF)  
Director Keely Martin Bosler  
Zachary Olmstead for Department of Housing and Community  
Development (HCD)  
Director Gustavo Velasquez for the Department of Housing and  
Community Development (HCD)  
Tiena Johnson Hall, Executive Director of California Housing Finance  
Agency (CalHFA)

Advisory Members: City Representative Vivian Moreno - ABSENT  
County Representative Terra Lawson-Remer - ABSENT

#### 2. *Agenda Item: Approval of the Minutes of the June 15, 2022, Meeting – (Action Item)*

**MOTION:** Mr. Sertich motioned to approve the June 15, 2022, minutes. Mr. Olmstead seconded the motion.

Chairperson Ma called for public comments.

Public Comments:  
None

**AYES:** Chairperson Fiona Ma

Anthony Sertich

Tiena Johnson Hall

Zachary Olmstead

**ABSTENTIONS:** Lourdes Castro Ramirez

Motion passed via roll call vote.



## California Tax Credit Allocation Committee

### 3. *Agenda Item: Executive Director's Report*

*Presented by: Nancee Robles*

Nancee Robles, CTCAC Executive Director, welcomed two new staff members, Chris Saenz and Timothy Handy. The preliminary reservation team was now fully staffed. CTCAC requested eight new staff in a budget change proposal that was approved for the 2022-2023 fiscal year and beyond, including three positions for the development team, four positions for the compliance team, and one development research data specialist. Staff had begun recruiting for those positions.

CTCAC received sixty (60) applications for the second round of 9% tax credits and anticipated having a waiting list for that round. Four members of the CTCAC and the California Debt Limit Allocation Committee (CDLAC) teams recently attended the grand opening of Lavender Courtyard, a 53-unit housing project at 16<sup>th</sup> and F Street in Sacramento, and that it was always special for staff to experience firsthand how their work impacted the community. She recently sat on a panel at the National Housing and Rehabilitation Association meeting with Tiena Johnson Hall, where they discussed the volatile market and supplemental allocations. She received positive feedback on how quickly the 8609s were being issued, for which she thanked the staff. Chairperson Ma also thanked the staff.

Chairperson Ma called for public comments on the Executive Director's report:  
None.

### 4. *Agenda Item: Recommendation of a Resolution to Adopt Proposed Regulations, Title 4 of the California Code of Regulations, Section 10302 through 10337, Revising Allocation and Other Procedures – (Action Item)*

*Presented by: Anthony Zeto*

Mr. Zeto stated that on May 26, 2022, staff released proposed regulation changes with a comment period that concluded on June 20, 2022. Staff held a public hearing jointly with CDLAC to solicit comments and feedback from stakeholders, and staff carefully considered all the comments received. In some cases, they made modifications to the changes originally proposed, and they were now bringing the final recommendation to the Committee for approval.

**MOTION:** Mr. Sertich motioned to approve the resolution to adopt the regulations. Ms. Castro Ramirez seconded the motion.

Public Comments:

Darren Bobrowsky, representing USA Properties Fund, stated he submitted a letter suggesting a change not initially proposed. Per the current regulations, projects were evaluated for fifteen years to ensure they maintained a positive cash flow. He suggested the Committee change that to a thirty-year evaluation period due to the risk that projects without rental subsidies would go negative shortly after fifteen years. He believed this was a minor change that nobody would oppose.

Chairperson Ma stated that she was open to hearing comments from staff regarding this suggestion.

Mr. Zeto said staff performed a financial analysis to ensure projects would maintain a positive cash flow through year fifteen. He did not agree that there would be no opposition to the proposed change





## California Tax Credit Allocation Committee

to thirty years because it was more restrictive and would weed out projects that might be cutting it close after year fifteen.

Chairperson Ma stated that at the fifteen year mark, projects may be sold or rents may be raised.

Mr. Sertich agreed this should be reviewed in the future and he agreed with Mr. Zeto that it could be controversial. The Committee should be looking at the sustainability of projects.

Mr. Zeto said the comments received on changes that were not proposed would be considered for future regulation change packages.

Chairperson Ma asked how long the evaluation period had been fifteen years.

Mr. Zeto said it had been fifteen years for as long as he had been with CTCAC, which was almost twenty years. There have not been many projects showing negative cash flow in the annual operating expenses received by staff. Some projects did come in for a re-syndication of tax credits after year fifteen.

Mr. Bobrowsky stated projects with deeper income targeting may not remain financially stable after fifteen years and developers would sometimes do things to get funding that may not be in the best interest of the program, which was to ensure long term, stable, good quality projects. After reviewing staff reports from previous years, some of the projects in the ELI/VLI pool barely made it to year fifteen. He was not sure who would publicly oppose long term financial feasibility since it was good public policy to ensure long term financial feasibility in order to maintain projects in good condition for the residents and the community.

Mr. Zeto agreed with the statement of ensuring long term financially feasible projects.

Ms. Castro Ramirez also agreed and stated the Committee's goal was to ensure the housing developments were affordable for fifty-five years and they should be looking at the financial feasibility of projects beyond the initial fifteen-year period. They should not make the change at this meeting before having the opportunity to study and understand the financial pro forma implications and they would need more time to consider this suggestion. She would second Mr. Sertich's motion with no changes except she would ask staff to study this item and come back with a set of analysis and recommendations.

Mark Stivers spoke on behalf of the California Housing Partnership. They supported long term feasibility, but they estimated conservatively when they applied, and there was no evidence that developments were having difficulties, as Mr. Bobrowsky previously asserted. Since rental assistance contracts and Capitalized Operating Subsidy Reserves (COSRs) did not span thirty years, projects utilizing rental assistance or COSRs would not pass that test. He supported sustainability, yet also thought ELI/VLI and Homeless projects were important, and this was how they made those projects work.

Motion passed unanimously via roll call vote.

- 5. Agenda Item: Recommendation for Reservation of 2022 State Farmworker Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Refinancing – (Action Item)**  
*Presented by: Gabrielle Stevenson*



## California Tax Credit Allocation Committee

Ms. Stevenson presented Brentwood Crossing (CA-21-456), a farmworker housing project in Bakersfield, CA. She introduced Chris Dart from The Danco Group to speak about the project.

Mr. Dart stated this was a 58-unit, 100% farmworker project currently under construction which closed on construction financing in October 2021. The project was experiencing substantial cost increases and they would also be applying for a supplemental bond allocation. Construction was approximately twenty percent complete and they had just finished site work. This award, along with the supplemental bond allocation, would solve their problem.

Ms. Stevenson said staff reviewed this extensively and the project met all the requirements; they recommended it for reservation of state farmworker credits.

MOTION: Ms. Sertich motioned to approve. Ms. Castro Ramirez seconded the motion.

Chairperson Ma called for public comments:  
None

Motion passed unanimously via roll call vote.

### 6. *Agenda Item: Public Comment*

Elizabeth Brady spoke on behalf of OakBrook Housing. There is concern about a shortfall of state tax credits in Round 2. She asked the Committee if there were any other immediate available options.

Chairperson Ma stated the Committee was trying to push out bonds and tax credits as quickly as possible, even during the pandemic, including pre-funding MIP. She expressed appreciation to Ms. Brady for bringing it to the Committee's attention.

Ms. Castro Ramirez stated there was \$250,000,000 in the Governor's budget for the Housing Accelerator program, which was designed to help projects that had not been able to secure additional funding, and the Administration would continue to stay engaged and work together to support as many housing developments as possible. The 18–24-month period of deep engagement with stakeholders, the development community, and residents had been significant. Moving forward, as the regulations were implemented, it was important not to make significant changes, rather give the staff time to implement the regulations, and give the development community time to get the projects online.

### 7. *Agenda Item: Adjournment*

The meeting was adjourned at 2:22 p.m.



California Tax Credit Allocation Committee

**AGENDA ITEM 3**  
**Executive Director's Report**  
**(section left blank)**



## **AGENDA ITEM 4**

**Discussion and Consideration of appeals filed under California Code of Regulations, title 4, section 10330, and if appeal is granted, a Reservation of 2022 Second Round Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) - See Exhibit A for a list of appeals**

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**\*At the time of this publication, it is not known the complete list of applicants who will file appeals for consideration by the California Tax Credit Allocation Committee (CTCAC). CTCAC staff has listed all potential, known appeals.**

<b>Application Number</b>	<b>Project Name Address City, State Zip Code County</b>	<b>Applicant/Owner Applicant/Owner Contact(s)</b>	<b>General Partner(s) General Partner(s) Contact(s)</b>	<b>Developer(s) Developer(s) Contact(s)</b>	<b>Seller(s) Signatory of Seller(s)</b>	<b>Lender(s) (First Lender is Primary Construction Lender)</b>
CA-22-044	Palmer Park Manor 617 E Palmer Avenue Glendale, CA 91205 Los Angeles County	Palmer Park Housing Partners, L.P. Evan Laws	FFAH V Palmer Park, LLC Palmer Park Housing Management, LLC Mei Luu Evan Laws	Palmer Park Developer, LLC Evan Laws	Palmer Park Manor, L.P. William Raymond	Rockport/HUD 221D4 Colliers
CA-22-049	Village Senior Apartments Northeast Corner of Highway 246 & McMurray Road Buellton, CA 93427 Santa Barbara County	The Village Senior L.P. Victoria J. Brady	The Village Senior, LLC Victoria J. Brady	Cabrillo Economic Development Corporation Victoria J. Brady	Oak Springs Village Properties, LLC Arlen Miller	Wells Fargo Bank Housing for a Healthy California AHP City of Buellton Santa Barbara County HOME
CA-22-080	Baden Station 428-432 Baden Avenue South San Francisco, CA 94080 San Mateo County	Baden Station Apartments Investors, L.P. Jim Rendler	Baden Station Investors, LLC Pach Lancaster Holdings, LLC Danco Communities Jim Rendler Mark Wiese Chris Dart	Baden Station Investors, LLC Jim Rendler	Baden Station Investors, LLC Jim Rendler	Pacific Western Bank County San Mateo City South San Francisco
CA-22-085	North Housing PSH I 500 Mosley Avenue Alameda, CA 94501 Alameda County	Island City Development Vanessa Cooper	ICD Lakehurst, LLC Vanessa Cooper	Island City Development Vanessa Cooper	Housing Authority of the City of Alameda Vanessa Cooper	JPMorgan Chase Bank Alameda Affordable Housing Trust City of Alameda Alameda Housing Authority FHLBSF - AHP
CA-22-089	Estrella 604 W. Richmar Avenue San Marcos, CA 92069 San Diego County	San Marcos Family Housing, L.P. Esther Barron	AHG Estrella, LLC CFAH Housing, LLC Esther Barron Katelyn Silverwood	Affirmed Housing Group, Inc Marie Allen	San Marcos Gardens, L.P. James Silverwood	JP Morgan Chase Bank City of San Marcos
CA-22-093	The Hunter House 610 N. Hunter Street & 619 N. San Joaquin Street Stockton, 95202 San Joaquin County	Service First of Northern California Vernell Hill	Service First of Northern California Central Valley Coalition for Affordable Housing Vernell Hill Christina Alley	Service First of Northern California Vernell Hill	Ray Farmer Enterprises, Inc. John E. Blomberg	Bank of the West City of Stockton AHP HCD IIG



## **Exhibit A – Item No. 1: Village Senior Apartments (CA-22-049)**

Appeals filed under Agenda Item 4 1. Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of Village Senior Apartments (CA-22-049) affecting the 2022 Second Round Application for Reservation of Federal Nine Percent (9%) Low Income Housing Tax Credits (LIHTCs) in the Rural Set-Aside.





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TIENA JOHNSON HALL  
Executive Director of CalHFA

July 27, 2022

**EXECUTIVE DIRECTOR**  
NANCEE ROBLES

Victoria J. Brady  
The Village Senior  
702 County Square Drive, Suite #200  
Ventura, CA 93003

E-mail: [Vbrady@cabrilloedc.org](mailto:Vbrady@cabrilloedc.org)

**RE: CA-22-049 / Village Senior Apartments**

Dear Victoria J. Brady,

Following your submission for the California Tax Credit Allocation Committee (CTCAC) second 2022 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comments. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

	<b><u>Points Requested</u></b>	<b><u>Points Awarded</u></b>
1. General Partner Experience	7	7
2. Management Experience	3	3
3. Housing Needs	10	10
4. Site Amenities	15	15
5. Service Amenities	10	10
6. Lowest Income	52	52
7. Readiness to Proceed	10	0
8. Miscellaneous Federal and State Policies	2	2
<b>TOTAL</b>	<b>109</b>	<b>99</b>

CTCAC staff reduced the Readiness to Proceed point category by ten (10) points.

The HOME commitment letter from the County of Santa Barbara that was submitted with the application is insufficient on its own, and therefore, we are unable to verify that all conditions are within control of the applicant. It references a previous HOME letter, which states “all other conditions of the September 14, 2021 Reservation Letter remain applicable for a final commitment of funds and execution of loan documents by the County Board of Supervisors.” The letter from September 14, 2021 was not attached to the application, which means that CTCAC is unable to verify the conditions necessary for the final commitment of funds, as required per CTCAC Regulation Section 10325(f)(3)(B).

CTCAC has calculated your Final Tie Breaker score and the score is **48.003%**.

In the application, the Final Tie Breaker self-score is 52.469%.

CTCAC staff reduced the public funds numerator by the amount of \$895,941, due to the removal of the HOME loan commitment from the Final Tie Breaker Calculation. The HOME commitment letter from the County of Santa Barbara is insufficient on its own, and therefore, we are unable to verify that all conditions are within control of the applicant. It references a previous HOME letter, which states “all other conditions of the September 14, 2021 Reservation Letter remain applicable for a final commitment of funds and execution of loan documents by the County Board of Supervisors.” The letter from September 14, 2021 was not attached to the application, which means that CTCAC is unable to verify the conditions necessary for the final commitment of funds, as required per CTCAC Regulation Section 10325(f)(3)(B).

Additionally, the amounts entered on the Capitalized Operating Subsidy Reserve (COSR) was eliminated in its entirety. The attached letter from HCD does not specify an amount provided and the attached spreadsheet does not contain any identifiable information to determine that it was issued by HCD. As a result, CTCAC staff was unable to verify the amount committed by HCD for the COSR. CTCAC staff reduced the public funds numerator by \$620,714 because of this omission, per CTCAC Regulation Section 10325(f)(8)(A), which states “evidence provided shall signify the form of the commitment, the loan, grant or subsidy amount...”

You may request further clarification about the point reductions by contacting Cynthia Compton at [cynthia.compton@treasurer.ca.gov](mailto:cynthia.compton@treasurer.ca.gov). Staff can answer questions about the point and/or tie breaker reduction language in this letter. Staff cannot provide guidance or discuss the merits of an appeal of the scoring reductions in this letter. If you would like to discuss the Final Tie Breaker scoring informally, please contact Sarah Gullikson at [sarah.gullikson@treasurer.ca.gov](mailto:sarah.gullikson@treasurer.ca.gov).

If you would like to formally appeal staff’s scoring, you must do so in writing, and it must be received by CTCAC no later than August 1, 2022. Your appeal must be sent via email to Anthony Zeto, Deputy Director, at [anthony.zeto@treasurer.ca.gov](mailto:anthony.zeto@treasurer.ca.gov) and should specifically identify the grounds for the appeal based on the existing documentation submitted in your originally filed application. No fee is required for this appeal. You may not appeal any other applicant’s score.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects’ scoring letters since individual letters will be sent later as the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact Cynthia Compton at [cynthia.compton@treasurer.ca.gov](mailto:cynthia.compton@treasurer.ca.gov) **after** the final awards have been made.

We appreciate your interest in the Low-Income Housing Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,

A handwritten signature in blue ink that reads "Timothy Handy". The signature is written in a cursive, flowing style.

Timothy Handy  
Development Program Manager



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July 27, 2022

Victoria J. Brady  
The Village Senior  
702 County Square Drive, Suite #200  
Ventura, CA 93003

E-mail: [Vbrady@cabrilloedc.org](mailto:Vbrady@cabrilloedc.org)

**RE: CA-22-049 / Village Senior Apartments**

Dear Victoria J. Brady,

California Tax Credit Allocation Committee (CTCAC) staff has determined the project as presented in the application does not meet the additional threshold requirement outlined in CTCAC Regulation Section 10325(f)(3)(B). The HOME commitment letter from the County of Santa Barbara that was submitted with the application is insufficient on its own, and therefore, we are unable to verify that all conditions are within control of the applicant. It references a previous HOME letter, which states “all other conditions of the September 14, 2021 Reservation Letter remain applicable for a final commitment of funds and execution of loan documents by the County Board of Supervisors.” The letter from September 14, 2021 was not attached to the application, which means that CTCAC is unable to verify the conditions necessary for the final commitment of funds. Based on this determination, this project has been disqualified and no further review of the project will be performed, nor will it be considered for tax credits in this cycle. The review of the application may have determined other application deficiencies not included.

Additionally, the amounts entered on the Capitalized Operating Subsidy Reserve (COSR) was eliminated in its entirety. The attached letter from HCD does not specify an amount provided and the attached spreadsheet does not contain any identifiable information to determine that it was issued by HCD. As a result, CTCAC staff was unable to verify the amount committed by HCD for the COSR. When removed from the 15 Year Pro Forma, this results in a negative operating cashflow for all 15 years. Per CTCAC Regulation Section 10327(f), “to be considered feasible, a proposed project shall exhibit positive cash flow after debt service for a 15-year minimum term beginning at stabilized occupancy.”

**MEMBERS**

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BETTY YEE  
State Controller

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Director of HCD

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Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
NANCEE ROBLES

If you would like to formally appeal staff's determination, you must do so in writing, and it must be received by TCAC no later than August 3, 2022. Your appeal must be sent via email to Anthony Zeto, Deputy Director, at [anthony.zeto@treasurer.ca.gov](mailto:anthony.zeto@treasurer.ca.gov) and should specifically identify the grounds for the appeal based on the existing documentation submitted in your originally filed application. No fee is required for this appeal.

Sincerely,

A handwritten signature in blue ink that reads "Timothy Handy". The signature is written in a cursive, flowing style.

Timothy Handy  
Development Program Manager



August 1, 2022

Mr. Anthony Zeto  
Deputy Director  
California Tax Credit Allocation Committee  
915 Capitol Mall, Rm. 485  
Sacramento, CA 95814  
Email: [Anthony.zeto@treasurer.ca.gov](mailto:Anthony.zeto@treasurer.ca.gov)

RE: CA-22-049 / Village Senior Apartments  
Appeal of TCAC Point Letter dated July 27, 2022

Dear Mr. Zeto:

This letter responds to the letter from TCAC staff dated July 27, 2022, in which TCAC staff reduced the Readiness to Proceed points by ten (10) points because the June 15, 2022, County of Santa Barbara reservation letter (“2022 Letter”) was included in the application but the September 24, 2021 County of Santa Barbara reservation letter (“2021 Letter”) was inadvertently not included in the application. We request that you reconsider this issue and apply the inherent discretion and authority granted the TCAC Executive Director under Sections 10322(e) and 10325(e) of the TCAC Regulations to interpret the regulations to accept the 2021 Letter as part of the application and to accept the combined County of Santa Barbara HOME commitment letters as an enforceable commitment of funds pursuant to TCAC Regulation 10325(f)(3)(B). We also request an opportunity to discuss this matter with you directly by phone or otherwise at a time convenient for you.

TCAC Regulation 10322(e) provides that “the Executive Director, at his or her sole discretion, determines that the deficiency is an application omission of either a document existing as of the application-filing deadline, or a document certifying to a condition existing at the time of the application-filing deadline. In such cases, applicants shall be given up to five (5) business days from the date of receipt of staff notification, to submit said documents to complete the application.” We have attached the 2021 Letter to this letter and request that TCAC accept the 2021 letter to complete the application as permitted under TCAC Regulation 10322(e). The 2021 Letter clearly existed on the application filing deadline of June 30, 2022, as the 2021 Letter is referenced in the 2022 Letter. We note that the 2021 Letter and the Minute Order approving the 2021 Letter were also available to TCAC as a public record at the County website (see following link):

<https://santabarbara.legistar.com/LegislationDetail.aspx?ID=5130598&GUID=8CEAA0D5-AD48-43DD-95A5-B316E1A137FD>

***Bringing Community HOME***

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Combined, the 2021 Letter and 2022 Letter, are an enforceable commitment of funds with all conditions within the control of the applicant, other than **obtaining other financing sources** including an award of Tax Credits, as set forth in TCAC Regulation Section 10325(f)(3)(B).

The following analysis set forth the conditions in the 2021 Letter and how each condition has been met or is under the control of the application. We have also attached a letter from the County of Santa Barbara confirming the completion of conditions as noted (“County Letter”).

1. *Firm commitments from all financing sources, including tax credit allocation and commitments by investors, in sufficient amounts to complete the Project.* TCAC Regulation 10325(f)(3)(B) explicitly **excludes other financing** including an award of Tax Credits as a condition that must be in the control of the application. However, the applicant and the sponsor have secured all capital financing commitments for the project from the following sources as demonstrated at Tab 15 – Enforceable Financing Commitments of the TCAC application: California Community Reinvestment Corporation Permanent Loan, Wells Fargo Bank Construction Loan, City of Buellton in Lieu Fee Loan, Sponsor Loan from CCCE Grant, HCD VHHP loan, Affordable Housing Program loan, HCD HHC loan, County HOME loan and VASH-PBVs.
2. *Planning and zoning approvals.* All planning and zoning approvals are complete, and the City of Buellton approved updated entitlements for the project on June 16th, 2022 as shown at Tab 14 – Required Approvals of the TCAC application, and as confirmed in the County Letter.
3. *Submission of documents necessary to complete Project review and underwriting, which include but are not limited to copies of final development budget, sources and uses, and cash-flow proforma.* This condition is completely within the control of the applicant as the applicant prepares the budget, sources and uses and cash-flow proforma. We note that all these documents were submitted as part of the HOME funding application, as confirmed in the County Letter. Any updates are completely within the control of the applicant.
4. *Completion of environmental review required under the National Environmental Policy Act and authority to use federal funds by HUD or the County, as applicable for the use of HOME or other federal funds. Note that no activity may occur at the site that would adversely affect or that would otherwise be choice limiting, including the acquisition, demolition, construction or relocation of buildings or structures, or otherwise making a physical change to the property (including moving dirt) until the authority to use federal funds has been provided.* This condition was met on February 24, 2022, and confirmed in the County Letter.
5. *County staff review and underwriting of Project budgets and other financial documents, assessment of developer capacity and fiscal soundness, and examination*

of neighborhood market conditions to ensure adequate need for the Project for which these funds are to be used. The condition was completed at the time of the HOME funding application as confirmed by the County Letter.

6. Approval by the County Board of Supervisors (following a 30-day public comment period) of an amendment to the County's Action Plan, as may be required by HUD, and Board execution of County loan documents (County Loan Agreement, Promissory Note, Deed of Trust, Regulatory Agreement and other associated documents) As noted in the County Letter, an Amendment to the County's Action Plan will be provided to the Board of Supervisors for approval concurrent with the execution of the County loan documents. Finally, the remaining condition of execution of the County Loan documents (as further verified in the County Letter) is merely a mechanism for the signing of the loan documents which are only prepared after the applicant receives the preliminary tax credit reservation.

Many communities have an acute and profound need for housing designed for homeless veterans and seniors alike. This development is a very high priority for the Board of Supervisors in Santa Barbara County, the Veterans Administration in the County, and the seniors in the County. It has received support across all sectors of business, housing, and governmental entities, including both the County and the City of Buellton. These local funding commitments are now in jeopardy. This property has been under planning for almost a decade. Unlike larger public jurisdictions, e.g., Los Angeles, San Diego and San Francisco, the smaller projects, especially in rural areas such as Buellton, take an exorbitant amount of time to stack the public finance layering, and secure local approvals, including work to overcoming local impediments and opposition. We must also dedicate time to ensure that the development is compatible to the neighborhoods in which it will be constructed, and that it receives neighborhood acceptance, especially housing designed to address special needs of our homeless populations. It would be extremely unfortunate to the community, and those who would benefit from this supportive housing, to disqualify the application based on an inadvertent failure to include the 2021 County commitment letter as well as the current 2022 County commitment letter.

Given the facts outlined in this letter and the pressing need for senior and veteran housing in rural areas of the State, we respectfully request that TCAC accept to 2022 Letter to complete the application, reinstate the 10 Readiness to Proceed points and consider the application of The Village Senior to house seniors and veterans for tax credits in this cycle.

Should you have any questions about this letter, please contact me directly at (805) 659-3791 x175 or via email at [VBrady@cabrilloedc.org](mailto:VBrady@cabrilloedc.org).




Mr. Anthony Zeto  
August 1, 2020  
Page 4

Sincerely,

The Village Senior LP,  
a California limited partnership

By: The Village Senior LLC,  
a California limited liability company,  
its general partner

By: Cabrillo Economic Development Corporation,  
a California nonprofit public benefit corporation,  
its managing general partner

By:  \_\_\_\_\_  
Victoria J. Brady.  
Chief Financial Officer

Attachment: 2021 Letter

cc: Ryan Ortiz, CEDC  
Lynn Hutchins, Goldfarb & Lipman



George Chapjian, Director, Community Services  
Sarah York Rubin, Executive Director, Office of Arts & Culture  
Ryder Bailey, CPA, Chief Financial Officer, Community Services  
Dinah Lockhart, Deputy Director, Housing & Community Development  
Jeff Lindgren, Assistant Director, Parks Division  
Ashley Watkins, Division Chief, Sustainability Division



September 14, 2021

Gustavo Almarosa, Director of Real Estate Development  
Cabrillo Economic Development Corp.  
702 County Square Dr., #200  
Ventura, CA 93003

RE: Reservation of County funds to the Buellton Village Senior Apartments project (Project)

Dear Mr. Almarosa:

On September 14, 2021, the Santa Barbara County Board of Supervisors approved a reservation of County funds, in the amount of Eight Hundred Ninety Five Thousand, Nine Hundred and Forty One Dollars (\$895,941) for development of the 50-unit Project for low income seniors at the northeast corner of Highway 246 and McMurray Road in the City of Buellton. The funds will be set aside until September 14, 2022 for the purpose of completing the financing for the Project. The County must receive copies of firm commitments from all funding sources, including formal notification by the State of California of an award of tax credits, on or before this date.

A firm funding commitment, and execution of County loan documents, must be approved by the County Board of Supervisors. The following are required in order to receive a firm commitment:

1. Firm commitments from all financing sources, including tax credit allocation and commitments by investors, in sufficient amounts to complete the Project;
2. Planning and zoning approvals;
3. Submission of documents necessary to complete Project review and underwriting, which include but are not limited to copies of final development budget, sources and uses, and cash-flow proforma;
4. Completion of environmental review required under the National Environmental Policy Act and authority to use federal funds by HUD or the County, as applicable for the use of HOME or other federal funds. Note that no activity may occur at the site that would adversely affect or that would otherwise be choice limiting, including the acquisition, demolition, construction or relocation of buildings or structures, or otherwise making a physical change to the property (including moving dirt) until the authority to use federal funds has been provided;
5. County staff review and underwriting of Project budgets and other financial documents, assessment of developer capacity and fiscal soundness, and examination of neighborhood market conditions to ensure adequate need for the Project for which these funds are to be used; and
6. Approval by the County Board of Supervisors (following a 30-day public comment period) of an amendment to the County's Action Plan, as may be required by HUD, and Board execution of

County Parks Division, Division of Energy & Sustainability Initiatives, Housing & Community Development Division:  
123 East Anapamu Street, 2<sup>nd</sup> Floor, Santa Barbara, CA 93101 • T: (805) 568-2461 • F: (805) 568-2459  
Office of Arts and Culture: 1100 Anacapa Street, 3<sup>rd</sup> Floor, Rotunda Tower, Santa Barbara, CA 93101  
sbccsd.org

Buellton Village Senior Apartments  
HOME Reservation  
September 14, 2021

County loan documents (County Loan Agreement, Promissory Note, Deed of Trust, Regulatory Agreement and other associated documents).

Once all funding sources are secured, Housing and Community Development Division staff will work diligently toward getting approval for a firm commitment of funds to the Project and execution of County loan documents by the Board of Supervisors. The source of funds (HOME, In-Lieu, or a combination) will be recommended to the Board by staff, based on HOME commitment deadlines, availability of funds, and best uses of the funding sources.

Please work with Ted Teyber Senior Housing Program Specialist on submitting the information needed to complete staff's review. Ted may be contacted by email at [eteyber@co.santa-barbara.ca.us](mailto:eteyber@co.santa-barbara.ca.us) or by phone at (805) 568-3513.

Thank you for your efforts to expand affordable housing in the County of Santa Barbara and for your interest in the County housing program.

Sincerely,

DocuSigned by:  
  
George Chapjian, Director  
Community Services Department



**Community  
Services  
Department**  
*Connecting People to Opportunities*

George Chapjian, Director, Community Services  
Sarah York Rubin, Executive Director, Office of Arts & Culture  
Ryder Bailey, CPA, Chief Financial Officer, Community Services  
Dinah Lockhart, Deputy Director, Housing & Community Development  
Jeff Lindgren, Assistant Director, Parks Division  
Ashley Watkins, Division Chief, Sustainability Division



August 1, 2022

Anthony Zeto, Deputy Director  
California Tax Credit Allocation Committee  
915 Capital Mall, Rm. 485  
Sacramento, CA 95814  
Email: Anthony.zeto@treasurer.ca.gov

RE: CA-22-049 / Village Senior Apartments - TCAC Appeal: Point Score/Threshold Determination Letters

Dear Mr. Zeto:

This letter offers clarification to the funding reservation letter addressed to Cabrillo Economic Development Corporation from the County of Santa Barbara, dated as of September 14, 2021, in which the County Board of Supervisors reserved \$895,941 in HOME funds for the Village Senior Apartments (“Project”) to be developed in the City of Buellton (“County 2021 Letter”). On June 15, 2022, the County Division of Housing and Community Development (County HCD), which administers the federal HOME program, sent a letter addressed to Cabrillo Economic Development Corporation (“County 2022 Letter”) affirming County staff’s continued support of the funding reservation through the date of the TCAC meeting currently scheduled for September 28, 2022.

Further, if awarded an allocation of 9% tax credits at TCAC's September meeting, and the allocation of the credits is the final funding needed to commence the Project, County staff will immediately begin the work with CEDC and their Project partners, lenders, etc. to draft loan documents for the funds, including loan agreement, promissory note, deed of trust, and regulatory agreement. This letter confirms that all conditions of approval of the Reservation Letter have been met aside from awarding tax credit funding to Village Senior Apartments. Below I have included a brief description of how CEDC has satisfied each condition in the County letter, with the only outstanding condition notification from CEDC of a tax credit funding reservation award letter.

The execution of County loan documents must be approved by the County Board of Supervisors. The following are required to receive that approval:

1. *Firm commitments from all financing sources, including tax credit allocation and commitments by investors, in sufficient amounts to complete the Project*
  - a. ***CEDC has provided County HCD with regular Project updates throughout the development process. Therefore, the only outstanding commitment required to satisfy this condition is the award of tax credit funding.***
2. *Planning and zoning approvals;*
  - a. ***CEDC received final planning and zoning approvals on June 16<sup>th</sup> 2022, pursuant to City of Buellton Planning Commission Resolution No. 22-06***
3. *Submission of documents necessary to complete Project review and underwriting, which include but are not limited to copies of final development budget, sources and uses, and cash-flow proforma;*
  - a. ***County HCD has received regular Project updates from CEDC and, upon receiving a TCAC award notification, CEDC shall submit to County HCD the updated documentation submitted with their TCAC application. All documentation submitted for the HOME funding program has met our underwriting standards, and CEDC will work with us during loan closing to update the required documents.***
4. *Completion of environmental review required under the National Environmental Policy Act and authority to use federal funds by HUD or the County, as applicable for the use of HOME or other federal funds. Note that no activity may occur*

at the site that would adversely affect or that would otherwise be choice limiting, including the acquisition, demolition, construction or relocation of buildings or structures, or otherwise making a physical change to the property (including moving dirt) until the authority to use federal funds has been provided;

- a. **County HCD completed the HUD Pt. 58 environmental review on February 24<sup>th</sup>, 2022. The HUD Pt. 58 was prepared by Rincon Consultants and approved by the County of Santa Barbara, satisfying this condition of approval. The Finding of No Significant Impact/Request for Release of Funds (FONSI/RROF) will be submitted to HUD upon the Project receiving a LIHTC award by TCAC, which is required to receive the Authority to Use Grant Funds from HUD. This is the usual and customary practice of County HCD.**
5. *County staff review and underwriting of Project budgets and other financial documents, assessment of developer capacity and fiscal soundness, and examination of neighborhood market conditions to ensure adequate need for the Project for which these funds are to be used; and*
- a. **As a part of the original HOME funding reservation and periodically updated as stated above, CEDC has provided all the required documents for review and underwriting. Upon TCAC award notification, CEDC shall submit the updated documentation submitted with their application as an update to our existing record. All documentation submitted for the HOME funding program has met our underwriting standards, and CEDC will work with us during loan closing to update the required documents.**
6. *Approval by the County Board of Supervisors (following a 30-day public comment period) of an amendment to the County's Action Plan, as may be required by HUD, and Board execution of County loan documents (County Loan Agreement, Promissory Note, Deed of Trust, Regulatory Agreement, and other associated documents).*
- a. **Concurrent with the execution of the County loan documents, an Action Plan amendment will be provided to the Board of County Supervisors for approval, followed by a 30-day public comment period. It is also to be noted that satisfaction of the remaining condition of approval is subject to notification from CEDC that a preliminary reservation of tax credits has been issued. Once notified, County of Santa Barbara Staff will prepare the loan documents and reserve a date for our recommendation of approval to the Board of Supervisors. During this meeting, staff will recommend that the Board of Supervisors issue the authority to execute these loan documents by the Board Chair for the HOME funding to Village Senior Apartments. The County Board of Supervisors is very supportive of the development of affordable housing and alleviating the shortage of housing units in the County. The Board is familiar with the Project and County HCD has every reason to believe that the Board will approve the HOME loan to the Project.**

It is the practice of the County to not prepare loan documents until after a tax credit reservation is received. The County terms are 3% simple interest, 55-year term and payments out of residual receipts from the Project as is customary for multi-family, tax credit projects.

The Village Senior Apartments has been and continues to be an essential component of Santa Barbara County's affordable housing project pipeline. Thank you for your efforts to expand affordable housing in the County of Santa Barbara and for your interest in the County housing program.

Should you have any questions about this letter, please contact Carlos Jimenez at (805) 568-3529 or via email at [cjimenez@countyofsb.org](mailto:cjimenez@countyofsb.org).

Sincerely,



Dinah Lockhart, Deputy Director Division of Housing and Community Development



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

---

915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

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Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
Nancee Robles

August 8, 2022

Victoria J. Brady  
The Village Senior  
702 County Square Drive, Suite #200  
Ventura, CA 93003

E-mail: [Vbrady@cabrilloedc.org](mailto:Vbrady@cabrilloedc.org)

**RE: CA-22-049 / Village Senior Apartments**

Dear Ms. Brady:

This letter is in response to the appeal letters received on August 1, 2022 and August 3, 2022 of the California Tax Credit Allocation Committee (“CTCAC”) point and final tie breaker score reduction and disqualification of the above referenced project. CTCAC staff reduced the Readiness to Proceed point category by ten (10) points, reduced the final tie breaker score, and disqualified the application for failure to demonstrate an enforceable commitment of funds for the County of Santa Barbara (“County”) funds. The HOME letter referenced conditions from a September 14, 2021 letter that was not included in the application. The final tie breaker score was further reduced and the application was disqualified because the amount of the Capitalized Operating Subsidy Reserve (“COSR”) for this project could not be verified.

### County HOME Letter

The appeal letter included a the referenced September 14, 2021 letter from the County and stated that those conditions have been satisfied. You stated that pursuant to CTCAC Regulation Section 10322(e), this letter is a document that existed as of the application-filing deadline and therefore should be accepted to document the commitment of the County’s funds. The appeal letter also included a clarifying letter from the County confirming the funding commitment.

Following review of the appeal letter, the application, and CTCAC regulations, I find that the clarifying information and documentation confirms the commitment of the County’s HOME funds as allowed in CTCAC Regulation Section 10322(e). As a result, the appeal is granted.

Capitalized Operating Subsidy Reserve

The appeal letter stated that the Department of Housing and Community Development (“HCD”) letter for the Housing for a Healthy California program did not include the COSR amount in advance of the application deadline. You provided a letter from HCD acknowledging the amount of the COSR could not be determined prior to the application deadline. Rather than determining the project to be infeasible, the appeal letter requested that the COSR amount be substituted with deferred developer fee to retain feasibility. You point to the list shown on the HCD website showing a total of \$4,580,714 being requested for both the capital funding of \$3,960,000 and a COSR of \$620,714.

Following review of the appeal letter, the application, and CTCAC regulations, I find that as of the application deadline, there was no COSR amount committed by HCD. While the request amount was published on the HCD website, there is no confirmation from HCD of the \$620,714 COSR amount committed. As a result, the appeal is not granted.

Due to the COSR subsidy funds still being deemed not committed, the application remains disqualified from the Round 2 application cycle.

A new point letter is attached. Please feel free to contact me at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov) should you have any questions or concerns. If you wish to appeal this decision, you may email your appeal in writing to Executive Director Nancee Robles at [nancee.robles@treasurer.ca.gov](mailto:nancee.robles@treasurer.ca.gov) and cc me at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov). Your appeal must be received by CTCAC no later than August 15, 2022.

Sincerely,



Anthony Zeta  
Deputy Executive Director

Enclosure



# CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
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KEELY MARTIN BOSLER  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

## REVISED

August 8, 2022

**EXECUTIVE DIRECTOR**  
NANCEE ROBLES

Victoria J. Brady  
The Village Senior  
702 County Square Drive, Suite #200  
Ventura, CA 93003

E-mail: [Vbrady@cabrilloedc.org](mailto:Vbrady@cabrilloedc.org)

**RE: CA-22-049 / Village Senior Apartments**

Dear Ms. Brady:

Following your submission for the California Tax Credit Allocation Committee (CTCAC) second 2022 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comments. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

	<b><u>Points Requested</u></b>	<b><u>Points Awarded</u></b>
1. General Partner Experience	7	7
2. Management Experience	3	3
3. Housing Needs	10	10
4. Site Amenities	15	15
5. Service Amenities	10	10
6. Lowest Income	52	52
7. Readiness to Proceed	10	10 (Revised)
8. Miscellaneous Federal and State Policies	2	2
<b>TOTAL</b>	<b>109</b>	<b>109 (Revised)</b>



CTCAC has calculated your Final Tie Breaker score and the revised score is **51.126%**.

In the application, the Final Tie Breaker self-score is 52.469%. The amounts entered on the Capitalized Operating Subsidy Reserve (COSR) was eliminated in its entirety. The attached letter from HCD does not specify an amount provided and the attached spreadsheet does not contain any identifiable information to determine that it was issued by HCD. As a result, CTCAC staff was unable to verify the amount committed by HCD for the COSR. CTCAC staff reduced the public funds numerator by \$620,714 because of this omission, per CTCAC Regulation Section 10325(f)(8)(A), which states “evidence provided shall signify the form of the commitment, the loan, grant or subsidy amount...”

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects’ scoring letters since individual letters will be sent later as the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact Cynthia Compton at [cynthia.compton@treasurer.ca.gov](mailto:cynthia.compton@treasurer.ca.gov) **after** the final awards have been made.

We appreciate your interest in the Low-Income Housing Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,



Timothy Handy  
Development Program Manager



August 15, 2022

Ms. Nancee Robles  
Executive Director  
California Tax Credit Allocation Committee  
915 Capitol Mall, Rm. 485  
Sacramento, CA 95814  
Email: nancee.robles@treasurer.ca.gov

RE: CA-22-049 / Village Senior Apartments (“Project”)  
Appeal of CTCAC Letter Dated August 8, 2022

Dear Ms. Robles,

This letter is in response to the correspondence from Deputy Director, Anthony Zeto, dated August 8 2022 regarding the California Tax Credit Allocation Committees (“CTCAC”) evaluation of the appeal letters provided by Cabrillo Economic Development Corporation (“CEDC”). The referenced appeals from CEDC are the appeal letter dated August 1, 2022 regarding the point and final tie breaker score reduction; and the appeal letter dated August 3, 2022, regarding the disqualification of eligibility for Village Senior Apartments.

CEDC would like to extend its gratitude and appreciation to CTCAC for approving our August 1, 2022, appeal confirming the funding commitment of the County of Santa Barbara’s HOME funding program. CEDC acknowledges the discretionary determination taken in the granting our appeal to restore the original ten (10) points adjusting the tie breaker to include the County HOME funds, and for the reversal the application’s original disqualification per CTCAC Regulation Section 10325(f)(3)(B).

Unfortunately, the documentation of the COSR allocation under the HHC Program was not available when our CTCAC was submitted on June 30, 2022. For this reason, the review and financial feasibility of the Project was not considered. For this reason, we respectfully request that CTCAC reconsiders its

***Bringing Community HOME***

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Tel (805) 659-3791 | Fax (805) 659-3195 | [www.cabrilloedc.org](http://www.cabrilloedc.org)



disqualification as HCD staff has determined that indeed our Project is feasible.

On June 29, 2022, HHC Staff provided CEDC a Capital Funding commitment for \$3,960,000. On this same date, we immediately contacted HHC Staff because the letter omitted the COSR funding request of \$620,714. At this juncture CEDC was advised to move forward with both the Capital Funding and COSR for the Project's CTCAC application. We expressed our concerns regarding this matter. In response, HHC Staff assured us that they would provide CEDC with required documentation as needed for the CTCAC application. We anticipated that HHC Staff would issue an amended award letter that included the \$620,714 of COSR and \$3,960,000 for the total funding requested of \$4,480,714. Instead HHC Staff provided CEDC the June 30, 2022, letter which indicated that the COSR commitment would be finalized at a later date. HCD provided CEDC staff with reassurances that this letter would be sufficient for the CTCAC application. Given this last minute and untimely information from HCD, CEDC had no alternative but to accept this commitment and reassurance from HHC Staff and submit the CTCAC Round 2 Application in that form.

Prior to the submission of this appeal, CEDC worked with HHC Staff to address CTCAC's determination that without the \$620,714 in COSR funding, the development is unable to maintain a positive cashflow throughout the required 15-year period. However, pursuant to Regulation Section 10327(f) HCD verified and confirmed that the updated pro forma does indeed maintain a positive cash flow after debt service payments for the 15-year minimum period. With this minor adjustment to the budget, including a reduction of the permanent loan debt and inclusion of deferred developer fee, we have satisfied HCD's underwriting standards. CEDC is providing a letter, attached to this appeal, from HCD, verifying their support of the project and certifying the feasibility of the project per CTCAC regulations, section 10327(f).

CEDC respectfully requests that CTCAC reconsider our appeal and rescind the disqualification, allowing the Village Senior Apartments project to compete in the 2<sup>nd</sup> round CTCAC 2022. The reason for disqualification came about due to the timing of the HCD award letter, and HCD has committed to certifying the Project as feasible, without the COSR funds. Therefore, the reason for disqualification has been removed. CEDC also requests that CTCAC rescind its July 27, 2022, and August 8, 2022, disqualification letters applying the inherent discretion and authority granted the CTCAC Executive Director under section 10325(e) of the CTCAC regulations as it was the Department's timing of awards notifications that resulted in the disqualification. The Department letter confirms that it is aware of no other project in this unique situation which warrants the exercise of the CTCAC Executive Director's discretion.

For over 40 years, CEDC has enjoyed a very positive and productive relationship with both CTCAC and HCD. We share the vision and responsibility to create and retain affordable housing, especially at this critical time of our growing numbers of homeless. As you are aware, last year Governor Newsom signed a historic Housing and Homelessness funding package as part of \$100 Billion California Comeback Plan, which created a \$12 billion investment over two years to tackle homelessness, the largest in state history. CEDC wants to do its share by building Village Senior Apartments to provide the housing in the City of Buellton, a rural community in Santa Barbara County. Buellton, with a population of 5,138, is one of five small towns nestled in the Santa Ynez Valley. It is surrounded by working cattle and horse ranches, ostriches, vineyards, and a variety of row crops.

This development is desperately needed for the most vulnerable populations in the County, specifically

seniors, veterans and persons who are at-risk of becoming homeless and the chronically homeless/homeless high-cost health users.

We acquired this site ten years ago originally to build senior housing, but the needs in this rural area of our state have shifted as we see more people unhoused, many of whom are the elderly, veterans, people undergoing treatment for mental and physical ailments. For our organization, rural housing development is a part of the fabric that built CEDC and still represents who we are today.

Given the history of this development, the dozens of public hearings, public meetings, working with the various segments of the populations, and soliciting funding at the local, state and federal levels, have all been a labor of love and a commitment to serve. We are committed to this development, but the seemingly insurmountable barriers we have overcome have brought us this far, but for a technicality in timing, we are now in serious jeopardy. This undue hardship exposes this development to tremendous risk. Risk of losing its financing commitments that took years to put in place. Risk of losing VHHP Vouchers, HOME funds, In-Lieu Fees, support for this development. Even CEDC's reputation to deliver on time and on budget is at risk. As you know, local commitments, especially in rural areas do not arrive easily; we faced many years of opposition.

The City of Buellton does not have sufficient affordable housing, especially for the VL and L income households. The Santa Barbara County Association of Governments allocated a RHNA allocation of 165 units, of which 55 should be designated for very low and 37 low-income households. In reviewing the APR Dashboard, there has been no progress made to meet any of its RHNA allocation numbers.

For these reasons, it is critical for this development to move forward at this time, due to the severity of the growing homeless population in the Santa Inez Valley and to add additional housing stock to a high-need community.

We respectfully request your reconsideration to grant this appeal. Should you have any questions, please do not hesitate to contact me directly at (805) 672-2573.

Thank you for your consideration.

Sincerely,



Margarita H. de Escontrias  
Chief Executive Officer  
Cabrillo Economic Development Corporation

Attachments: August 1, 2022, Point Scoring Appeal Letter  
August 12, 2022, HCD Letter of Support

cc: Lynn Hutchins, Goldfarb & Lipman  
Victoria Brady, CEDC

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF FEDERAL FINANCIAL ASSISTANCE

2020 W. El Camino Avenue, Suite 200, 95833  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 263-2771 / (FAX) 263-2763  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



August 12, 2022

Ms. Nancee Robles, Executive Director  
California Tax Credit Allocation Committee  
915 Capital Mall, Rm 485  
Sacramento, CA 95818  
[Nancee.robles@treasurer.ca.gov](mailto:Nancee.robles@treasurer.ca.gov)

Project Name: Village Senior Apartments ("Project")  
Contract Number: 21-HHCC-00016

RE: CA-22-049 / Village Senior Apartments  
Appeal of CTCAC Letter dated August 8, 2022

Dear Ms. Robles:

The California Department of Housing and Community Development ("Department") is providing this letter in connection with an appeal by the Applicant ("CEDC") of the California Tax Credit Allocation Committee ("CTCAC") letter dated August 8, 2022, and to express our strong support of the Project known as Village Senior Apartments.

As stated in the August 8, 2022 letter from Deputy Director Mr. Zeto, CEDC's initial appeal was denied due to CTCAC's inability to verify a commitment of the Department's Housing for a Healthy California Program (HHC) Capitalized Operating Subsidy Reserve ("COSR"). Regarding the COSR funding, the Department is issuing this letter to further clarify and demonstrate the Department's support of CEDC's request to appeal CTCAC's August 8, 2022 letter.

It is notable that as of the June 30, 2022, CTCAC application deadline, the Department issued a letter assuring CEDC that the Department would continue to work with CEDC to determine the COSR amount. This guidance was provided to CEDC to confirm that the Development was financially feasible, but that the Department needed additional time to review the details of the COSR.

CEDC received the Department's HHC Award letter, dated June 23, 2022, on June 29th, the day the Applicant intended on submitting an application to CTCAC. CEDC noted immediately that the award letter for capital funding sent by the Department should have included the COSR amount as well. Based on CEDC's inquiry about the missing COSR in the award letter, the Department continued its underwriting process to provide an official commitment of the COSR by June 30th, the deadline for the CTCAC application. Due to the timing of the CTCAC application deadline, the Department was unable to arrive at a final value for COSR funding, and therefore encouraged CEDC to proceed by submitting the June 23<sup>rd</sup> commitment, along with the letter dated June 30, 2022, which included the following language:

“This letter constitutes notice that the Department is working with you to finalize an HHC Capitalized Operating Subsidy Reserve (COSR) commitment of funds from the National Housing Trust Fund allocation for the Village Senior Apartments activities described in the updated Project application received on June 30, 2022. The Department intends to amend the award letter dated June 23, 2022, to reflect the COSR and that the award amount will be increased to cover eligible COSR costs.”

The Department has reviewed CTCAC’s August 8, 2022 letter, as well as the initial July 27, 2022 disqualification letter, and certifies that after the Department's thorough and prudent underwriting of the Project, the Project is indeed feasible. As with many projects, the cash flow may change throughout the various phases of development. This unfortunate situation is due to the Department's inability to complete review of the COSR needs prior to the CTCAC application deadline. As a result, modifications to the 15-year proforma had to be made after the application deadline.

Pursuant to CTCAC regulation section 10327(f), the project demonstrates a positive cash flow after debt service for a 15-year minimum term beginning at stabilized occupancy. The Applicant will provide an updated 15-year Proforma based on the Department's final underwriting, which we request that CTCAC accept pursuant to your discretionary authority. The Department also requests that CTCAC rescind its July 27, 2022 and August 8, 2022 disqualification letters, applying the inherent discretion and authority granted the CTCAC Executive Director under section 10325(e) of the CTCAC regulations, as it was the Department's timing of awards notifications that resulted in the disqualification. The Department is aware of no other project in this unique situation which warrants the exercise of the CTCAC Executive Director's discretion.

The Department looks forward to working with you to implement a successful project. If you have any questions, please contact me at [alicia.sebastian@hcd.ca.gov](mailto:alicia.sebastian@hcd.ca.gov) or (916) 776-7782, or our Housing Branch Chief, Willa Darley Chapin at [willa.darleychapin@hcd.ca.gov](mailto:willa.darleychapin@hcd.ca.gov) or (916) 820-1492.

Sincerely,



Alicia HF Sebastian  
Acting Deputy Director  
Division of Federal Financial Assistance

CC: Willa Darley Chapin, Housing Branch Chief  
Anne Nicholls, NHTF Section Chief



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

### MEMBERS

FIONA MA, CPA, CHAIR  
State Treasurer

BETTY YEE  
State Controller

JOE STEPHENSHAW  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
Nancee Robles

August 22, 2022

Victoria J. Brady  
The Village Senior  
702 County Square Drive, Suite #200  
Ventura, CA 93003

E-mail: [Vbrady@cabrilloedc.org](mailto:Vbrady@cabrilloedc.org)

**RE: CA-22-049 / Village Senior Apartments**

Dear Ms. Brady:

This letter is in response to the second appeal package received on August 15, 2022, regarding the California Tax Credit Allocation Committee (“CTCAC”) point and final tie breaker score reduction and disqualification of the above referenced project. CTCAC staff reduced the final tie breaker score, and the application was disqualified because the amount of the Capitalized Operating Subsidy Reserve (“COSR”) for this project could not be verified.

### Capitalized Operating Subsidy Reserve

The second appeal letter stated that the Department of Housing and Community Development (“HCD”) final determination and corresponding documentation for the required COSR amount for the project to positive cash-flow was not available by the June 30, 2022, CTCAC Round 2 deadline. That final and firm commitment has still not yet been made, so your second appeal included a revised CTCAC application that removed COSR funding, and now includes a deferred developer fee as well as a reduction of the permanent loan. CTCAC regulations, however, do not allow for changes to the application after the deadline except for omitted documents already in existence at the time of application.

Following review of the appeal letters, the original and revised application, and CTCAC regulations, I find that as of the application deadline, there was no COSR amount committed by HCD. While the requested amount was published on the HCD website, there is no confirmation from HCD of the \$620,714 COSR amount committed. Any suggested changes that would allow the project to cash-

flow were made after the deadline. As a result, the appeal is not granted, and the application remains disqualified from the Round 2 application cycle.

Please feel free to contact Gabrielle Stevenson at [gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov) should you have any questions or concerns. If you wish to appeal this decision relating to the tiebreaker reduction or disqualification to the Committee, you may submit a final written appeal, along with a \$500 appeal fee, that must be received by CTCAC (copy [gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov) on any emails regarding this appeal) no later than 5:00 pm on August 29, 2022. Please address any written appeal to CTCAC's mailing address, and staff will distribute it to the Committee for consideration at the next CTCAC meeting.

Sincerely,



Nancee Robles  
CTCAC Executive Director

Enclosure





August 26, 2022

Voting and Non-Voting Members of the Committee  
California Tax Credit Allocation Committee  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
Email: [nancee.robles@treasurer.ca.gov](mailto:nancee.robles@treasurer.ca.gov)

RE: CA-22-049 / Village Senior Apartments (“Project”)  
Appeal of CTCAC Executive Director Decision of Second Appeal Package Letter Dated August 22, 2022

Dear CTCAC Committee Members,

Thank you in advance for your consideration of this further appeal by applicant, Cabrillo Economic Development Corporation (CEDC) for the Village Senior Apartments project, a 50-unit low-income project in Buellton, California.

This letter is in response to the correspondence from Executive Director, Nancee Robles, dated August 22, 2022, regarding the decision to not grant the second appeal based on the information submitted by CEDC on August 15, 2022 (the “Second Appeal”). The decision to not grant CEDC’s Second Appeal was made by Ms. Robles following the review of the appeal letters, the original and revised application, and CTCAC regulations.

CEDC would like to again extend its gratitude and appreciation to CTCAC for approving our August 1, 2022, appeal confirming the funding commitment of the County of Santa Barbara’s HOME funding program. CEDC acknowledges the discretionary determination taken in the granting our appeal to restore the original ten (10) points adjusting the tie breaker to include the County HOME funds, and for the reversal the application’s original disqualification per CTCAC Regulation Section 10325(f)(3)(B).

***Bringing Community HOME***

702 County Square Drive, STE 200 | Ventura, CA 93003  
Tel (805) 659-3791 | Fax (805) 659-3195 | [www.cabrilloedc.org](http://www.cabrilloedc.org)



As stated in our second appeal dated August 15, 2022, the documentation of the COSR allocation under the HHC Program was not available when our CTCAC was submitted on June 30, 2022. For this reason, the review and financial feasibility of the Project was not considered. For this reason, we respectfully request that CTCAC reconsiders its disqualification as HCD staff has determined that indeed our Project is feasible.

On June 29, 2022, HHC Staff provided CEDC a Capital Funding commitment for \$3,960,000. On this same date, we immediately contacted HHC Staff because the letter omitted the COSR funding request of \$620,714. At this juncture CEDC was advised to move forward with both the Capital Funding and COSR for the Project's CTCAC application. We expressed our concerns regarding this matter. In response, HHC Staff assured us that they would provide CEDC with required documentation as needed for the CTCAC application. We anticipated that HHC Staff would issue an amended award letter that included the \$620,714 of COSR and \$3,960,000 for the total funding requested of \$4,480,714. Instead HHC Staff provided CEDC the June 30, 2022, letter which indicated that the COSR commitment would be finalized at a later date. HCD provided CEDC staff with reassurances that this letter would be sufficient for the CTCAC application. Given this last minute and untimely information from HCD, CEDC had no alternative but to accept this commitment and reassurance from HHC Staff and submit the CTCAC Round 2 Application in that form.

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CEDC respectfully requests that CTCAC Staff and Members of the Committee reconsider our appeal and rescind the disqualification, allowing the Village Senior Apartments project to compete in the 2<sup>nd</sup> round CTCAC 2022. The reason for disqualification came about due to the timing of the HCD award letter, and HCD has committed to certifying the Project as feasible, without the COSR funds. Therefore, the reason for disqualification has been removed. CEDC also requests that CTCAC rescind its July 27, 2022, and August 8, 2022, disqualification letters applying the inherent discretion and authority granted the CTCAC Executive Director under section 10325(e) of the CTCAC regulations as it was the Department's timing of awards notifications that resulted in the disqualification. The Department letter confirms that it is aware of no other project in this unique situation which warrants the exercise of the CTCAC Executive Director's discretion.

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population of 5,138, is one of five small towns nestled in the Santa Ynez Valley. It is surrounded by working cattle and horse ranches, ostriches, vineyards, and a variety of row crops.

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For these reasons, it is critical for this development to move forward at this time, due to the severity of the growing homeless population in the Santa Inez Valley and to add additional housing stock to a high-need community.

We respectfully request CTCAC Staff and the Voting Members of the Committee's reconsideration to grant this appeal. Should you have any questions, please do not hesitate to contact me directly at (805) 672-2573.

Thank you for your consideration.

Sincerely,



Margarita H. de Escontrias  
Chief Executive Officer  
Cabrillo Economic Development Corporation

Attachments: CTCAC Appeal 2 DENIED Letter dated August 22, 2022  
CTCAC Point Scoring Appeal Determination Letter dated August 8, 2022  
HCD Letter of Support dated August 12, 2022

cc: Gabrielle Stevenson, California Tax Credit Allocation Committee  
Lynn Hutchins, Goldfarb & Lipman  
Victoria Brady, CEDC

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Village Senior Apartments, located at Northeast Corner of Highway 246 & McMurray Road in Buellton, requested and is being recommended for a reservation of \$2,138,328 in annual federal tax credits to finance the new construction of 49 units of housing serving seniors and special needs tenants with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by Cabrillo Economic Development Corporation and will be located in Senate District 19 and Assembly District 37.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Veterans Housing and Homelessness Prevention (VHHP) and Housing for a Healthy California programs of HCD.

**Project Number** CA-22-049

**Project Name** Village Senior Apartments  
Site Address: Northeast Corner of Highway 246 & McMurray Road  
Buellton, CA 93427  
County: Santa Barbara  
Census Tract: 19.01

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,138,328	\$0
Recommended:	\$2,138,328	\$0

**Applicant Information**

Applicant: The Village Senior LP  
Contact: Victoria J. Brady  
Address: 702 County Square Drive, Suite #200  
Ventura, CA 93003  
Phone: (805) 659-3791  
Email: Vbrady@cabrilloedc.org

General Partner(s) / Principal Owner(s): The Village Senior LLC  
General Partner Type: Nonprofit  
Parent Company(ies): Cabrillo Economic Development Corporation  
Developer: Cabrillo Economic Development Corporation  
Investor/Consultant: Wells Fargo Community Lending & Investment  
Management Agent(s): Cabrillo Economic Development Corporation

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 2  
Total # of Units: 50  
No. & % of Tax Credit Units: 49 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HOME / Section 8 Project-based vouchers (11 units - 23%)

**Information**

Set-Aside: Rural  
Housing Type: Special Needs Seniors  
Type of Special Needs: Homeless / Formerly Homeless Seniors  
Average Targeted Affordability of Special Needs / SRO Project units: 36.84%  
% of Special Need Units: 48.98%  
CTCAC Project Analyst: Brett Andersen

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percent of Required Affordable Units</b>
At or Below 30% AMI:	25	50%
At or Below 35% AMI:	5	10%
At or Below 40% AMI:	7	10%
At or Below 50% AMI (Rural):	12	20%

**Unit Mix**

44 1-Bedroom Units
6 2-Bedroom Units
<b>50 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2022 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
11 1 Bedroom	30%	\$786
2 1 Bedroom	30%	\$786
9 1 Bedroom	30%	\$468
2 1 Bedroom	30%	\$786
5 1 Bedroom	35%	\$917
7 1 Bedroom	40%	\$1,048
8 1 Bedroom	50%	\$1,310
1 2 Bedrooms	30%	\$943
4 2 Bedrooms	50%	\$1,572
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,155,101
Construction Costs	\$17,282,462
Rehabilitation Costs	\$0
Construction Contingency	\$1,103,123
Relocation	\$0
Architectural/Engineering	\$1,390,098
Const. Interest, Perm. Financing	\$2,003,410
Legal Fees	\$30,000
Reserves	\$516,561
Other Costs	\$1,513,479
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$29,194,234</b>

**Residential**

Construction Cost Per Square Foot:	\$464
Per Unit Cost:	\$583,885
True Cash Per Unit Cost*:	\$580,885

**Construction Financing**

Source	Amount
Wells Fargo Bank	\$19,437,846
Housing for a Healthy California	\$3,960,000
AHP***	\$730,000
City of Buellton In-Lieu	\$150,000
Santa Barbara County HOME	\$895,941
General Partner Equity	\$100
Tax Credit Equity	\$1,881,729

**Permanent Financing**

Source	Amount
CCRC**	\$2,134,462
Housing for a Healthy California	\$3,960,000
VHHP	\$2,551,445
Santa Barbara County HOME	\$895,941
City of Buellton In-Lieu	\$150,000
AHP***	\$730,000
Sponsor Loan	\$122,500
General Partner Equity	\$100
Tax Credit Equity	\$18,649,786
<b>TOTAL</b>	<b>\$29,194,234</b>

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

\*\*California Community Reinvestment Corporation

\*\*\*Federal Home Loan Bank - Affordable Housing Program

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$18,276,307
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$23,759,199
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,138,328
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Wells Fargo Community Lending & Investment
Federal Tax Credit Factor:	\$0.87217

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:	<b>Special Needs</b>
Self-Score Final:	<b>52.469%</b>
CTCAC Final:	<b>51.126%</b>

**Significant Information / Additional Conditions**

The utility allowances for this project include a component for water. All projects that charge for the water service must be sub-metered and the tenants must be billed separately for their water usage by a third party company. Sub-metering the water service and direct billing of the tenants by a 3rd party company must follow certain IRS rules in order to be in compliance. In conjunction with the IRS rules, prior to the issuance of the IRS 8609 forms, CTCAC will need to confirm that the water service and tenant billing have been implemented correctly. In addition, the CTCAC Compliance Section will require specific information regarding the master water bill and each tenant's water usage and water bill when they inspect the project.

**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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
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 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	2	2	2
Highest or High Resources Area	8	8	8
<b>Service Amenities</b>	<b>10</b>	<b>20</b>	<b>10</b>
<b>SPECIAL NEEDS HOUSING TYPE</b>			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
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
Health/behavioral services provided by licensed org. or individual	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
Enhanced Accessibility and Visitability	2	2	2
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**



## **Exhibit A – Item No. 2: Palmer Park Manor (CA-22-044)**

Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of Palmer Park Manor (CA-22-044) affecting the 2022 Second Round Application for Reservation of Federal 9% LIHTCs in Balance of Los Angeles County.\*



## **Exhibit A – Item No. 3: The Hunter House (CA-22-093)**

Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of The Hunter House (CA-22-093) affecting the 2022 Second Round Application for Reservation of Federal 9% and State LIHTCs in the Central Valley Region.



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

---

915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

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Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

July 19, 2022

Vernell Hill  
Service First of Northern California  
102 W. Bianchi Road  
Stockton, CA 95207

**EXECUTIVE DIRECTOR**  
NANCEE ROBLES

Email: [vhill@servicefirstnc.org](mailto:vhill@servicefirstnc.org)  
[chris@centralvalleycoalition.com](mailto:chris@centralvalleycoalition.com)

**RE: CA-22-093 / The Hunter House**

Dear Vernell Hill,

Following your submission for the California Tax Credit Allocation Committee (CTCAC) second 2022 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comment. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

	<b><u>Points Requested</u></b>	<b><u>Points Awarded</u></b>
1. General Partner Experience	7	7
2. Management Experience	3	3
3. Housing Needs	10	0
4. Site Amenities	15	15
5. Service Amenities	10	10
6. Lowest Income	52	52
7. Readiness to Proceed	10	0
8. Miscellaneous Federal and State Policies	2	2
<b>TOTAL</b>	<b>109</b>	<b>89</b>

CTCAC staff reduced the Housing Needs point category by ten (10) points because the application does not demonstrate that the identified special needs population can pay the proposed rent for the special needs units targeted at the 30%, 40%, 50%, 55% and 60% AMI levels, as there is no rental subsidy at the project. The Market Study in Tab 13 states that the potential tenant population consists of individuals with Supplemental Security Income (SSI). The income described in the market study includes households with income levels at \$841 for one person, and \$1,261 for a two-person household. These income levels allow rents no higher than \$252.30 to \$378.3, respectively, as to not exceed 30% of the target population's income. CTCAC Regulation Section 10325(g)(3)(C) defines rent overburden as when the targeted rent is more than 30% of the target population(s) income, which means the potential tenant population used to calculate the demand, capture rate, and penetration rate is based off tenants who would be rent overburden. In addition, the market study does not explain how the target population can pay the proposed rents.

In addition, CTCAC staff reduced the Readiness to Proceed point category by ten (10) points. CTCAC staff noted that the letter from the Bank of the West states that the loan commitment expired on 3/21/22. As a result, the project does not have an enforceable commitment for all construction financing as defined in CTCAC Regulation Section 10325(f)(3).

CTCAC staff also determined that the Hunter House application does not qualify to compete under the Non-Profit Homeless Assistance set-aside pursuant to CTCAC Regulation Section 10315(b). To qualify under Non-Profit Homeless Assistance set-aside, at least 50% of the project units must be designated for homeless individuals, as defined in CTCAC Regulation Section 10315(b)(1). 10315(b)(1) defines homeless individuals as an "individual or family who lacks a fixed, regular, and adequate nighttime residence," and does not include formerly homeless or individuals at-risk of homelessness; instead, these individuals are addressed in 10315(b)(2), which is not a qualifying population for the Non-Profit Homeless Assistance set-aside. Additionally, the submitted E-App specifies that 60 units (50% of the total units) will be for homeless or formerly homeless individuals, and the attached market study provides no further clarification. In order to qualify for this set-aside, 60 units of the total 119 low-income units must be offered to homeless individuals that meet the definition of 10315(b)(1), which has not been demonstrated sufficiently.

CTCAC has calculated your Final Tie Breaker score and the score is 71.800%.

In the application, the final tie breaker self-score is 70.781%. CTCAC staff removed the Excess Purchase Price Over Appraised Value from the Final Tie Breaker in the amount of -\$211,352. CTCAC staff also noted that \$589,823 of ineligible offsite costs had been incorrectly entered as a negative number, causing addition of the value instead of subtraction from the soft financing numerator. As a result, the adjustment increased the numerator resulting in an increase to the final tie breaker score.

You may request further clarification about the point reductions by contacting Sarah Gullikson at [Sarah.Gullikson@treasurer.ca.gov](mailto:Sarah.Gullikson@treasurer.ca.gov). You may request further clarification about the Final Tie Breaker scoring by contacting Timothy Handy at [Timothy.Handy@treasurer.ca.gov](mailto:Timothy.Handy@treasurer.ca.gov). Staff is able to answer questions about the point and/or tie breaker reduction language in this letter. Staff cannot provide guidance or discuss the merits of an appeal of the scoring reductions in this letter. You cannot appeal a reduction by contacting CTCAC staff. If you would like to formally appeal staff's scoring, you must do so in writing, and it must be received by CTCAC no later than July

26, 2022. Your appeal must be sent via email to Anthony Zeto, Deputy Director, at [Anthony.Zeto@treasurer.ca.gov](mailto:Anthony.Zeto@treasurer.ca.gov) and should specifically identify the grounds for the appeal based on the existing documentation submitted in your originally filed application. No fee is required for this appeal. You may not appeal any other applicant's score.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects' scoring letters since individual letters will be sent later as the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact **Sarah Gullikson** after the final awards have been made.

We appreciate your interest in the Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,



Timothy Handy  
Development Program Manager



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

---

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f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

July 19, 2022

Vernell Hill  
Service First of Northern California  
102 W. Bianchi Road  
Stockton, CA 95207

Email: [vhill@servicefirstnc.org](mailto:vhill@servicefirstnc.org)  
[chris@centralvalleycoalition.com](mailto:chris@centralvalleycoalition.com)

**RE: CA-22-093/ The Hunter House**

Dear Vernell Hill,

California Tax Credit Allocation Committee (CTCAC) staff has determined that the project as presented in the application does not meet the additional threshold requirement outlined in CTCAC Regulation Section 10325(g)(3)(C). The application does not demonstrate that the identified special needs population can pay the proposed rent for the special needs units targeted at the 30%, 40%, 50%, 55% and 60% AMI levels, as there is no rental subsidy at the project.

Based on the regulation citation above, no further review of the project will be performed, nor will it be considered for tax credits in this cycle. The review of the application may have determined other application deficiencies not included in this letter.

In addition, CTCAC staff has determined that the "Other: Operating Deficit Reserve (\$2M), Capitalized Investor Asset Management Fee (\$92,995)" line item in the amount of \$892,995 is excluded from the project costs since investor fees are not permitted to be included as a cost in the application, and the additional \$800,000 was not explained in the application. This correction reduces the state credit to \$10,892,447, a reduction from the \$12,008,691 requested.

**MEMBERS**

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BETTY YEE  
State Controller

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Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
NANCEE ROBLES

CTCAC Regulation Section 10330(a) states an applicant may file an appeal for a determination of a lesser credit amount. If you would like to formally appeal staff's determination, you must do so in writing, and it must be received by CTCAC no later than July 26, 2022. Your appeal must be sent via email to Anthony Zeto, Deputy Director, at [Anthony.Zeto@treasurer.ca.gov](mailto:Anthony.Zeto@treasurer.ca.gov) and should specifically identify the grounds for the appeal based on the existing documentation submitted in your originally filed application. No fee is required for this appeal.

Sincerely,

A handwritten signature in blue ink that reads "Timothy Handy". The signature is written in a cursive, flowing style.

Timothy Handy  
Development Program Manager





Vernell Hill, Jr.  
Founder  
Chief Executive Officer

July 25, 2022

Mr. Anthony Zeto  
Deputy Director  
California Tax Credit Allocation Committee (CTCAC)  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
anthony.zeto@treasurer.ca.gov

VIA EMAIL

**RE: CA-22-011 / The Hunter House Round 2 –  
APPEAL OF CTCAC DETERMINATIONS DATED JULY 19, 2022**

Dear Mr. Zeto,

Thank you in advance for your consideration of these appeals by applicant Service First of Northern California (Service First) for The Hunter House project, a 120-unit, 100% special needs project in Stockton, California (Project).

On July 19, 2022, Service First received two determinations from CTCAC, both dated July 19, 2022. One of the CTCAC letters was a threshold determination, stating that the application did not demonstrate that the target population could pay the proposed rents and, therefore, the application did not meet the housing type requirements in CTCAC Regulation 10325 (g)(3)(C). That letter also reduced the state credit calculation by excluding \$892,995 from the project cost. The second letter contained determinations regarding (1) point reductions in the Housing Needs and Readiness to Proceed categories and (2) the application's eligibility for the Nonprofit Homeless set-aside.

This appeal letter consolidates responses to all of the issues raised in both of the above letters.

Housing Type Requirement and Housing Needs Point Reduction

The threshold issue of housing type and the housing need category point reduction rely on the same rationales related to the sufficiency of the market study and the ability of the target population to pay the proposed rents. It was our understanding that this issue was resolved prior to submission and we are surprised to see the same issued raised again, ignoring the substantial documentation provided by The Hunter House in the Round 2 application. CTCAC's determinations on these issues now are contrary to the discussions the Hunter House project team had with staff prior to the submittal deadline of June 30, 2022. We believe the market study sufficiently addresses the matter.

**Headquarters**

102 W. Bianchi Road • Stockton, CA 95207 • (209) 644-6300 • Fax (209) 644-6333

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Aquatic Therapy/Physical Therapy • Housing Services • "Options" Learning Center • Representative Payee Services  
Supportive Living Services • Ticket to Works • Transitional Support Living Services • Treatment Services • Transportation Services

Please see enclosed letter from Mary Ellen Shay, the market study preparer, and the attachments thereto, documenting some of these discussions, providing evidence of the housing needs, and explaining how the lack of project based operating subsidies does not create rent overburden in light of the past experience of the applicant with a similar project, the realistic expectation of tenant-based vouchers, the availability of SSI/SSP income for this special needs population, and the provision of an operating reserve.

Another source of rent subsidies, for example, is the Central Valley Low Income Housing Corp. (Central Valley), which has submitted the enclosed support letter. It is a local organization that provides direct homeless housing support for tenants living in properties such as The Hunter House. They refer their enrolled clients as potential tenants to local housing providers then pay rent support checks on behalf of those tenants directly to property owners (similar structure as Section 8). Central Valley's support letter shows that it has committed to make rent support available to clients enrolled in its program and that these subsidies will be made available to the Project on a monthly basis. The infrastructure to support homeless housing in the Central Valley is robust and The Hunter House will provide critical units to house the tenants most in need. The local rent subsidies like the ones provided by Central Valley will ensure that the potential tenant population used to calculate the demand, capture rate, and penetration rate identified in the market study do not experience a rent overburden for (see pp. 2-3, 68-72).

As further evidence that rent overburden will not be an issue, see Appendix J of the market study, which contains the rent roll for the applicant's Zettie Miller Haven project which is similarly structured for tenants with special needs and which also does not have project-based rental subsidies. The Zettie Miller Haven project successfully serves the same population using the same tenant-based subsidies, in the same market area. This demonstrates that the project-based rental subsidies are not required to prevent rent overburden and illustrate that The Hunter House, too, can operate successfully as proposed.

Based on the market study as modified for this Round 2 submission and the additional documentation and explanations, we ask that CTCAC find that the housing type requirements are met and that it restores the housing needs points.

#### Readiness to Proceed

CTCAC reduced points in the Readiness to Proceed category because the commitment letter from the Bank of the West was not updated from the version that was submitted for 2022 Round 1. Service First resubmitted the commitment letter it used from 2022 Round 1 in reliance on CTCAC's memo, "Guidance for First Round Applicants Re-Applying in the Second Round" dated June 17, 2022, which did not require that document to be updated. That memo states that CTCAC will accept all other documents that were submitted in the first round for applications with the exception of certain listed exceptions. The financing commitment letter was not on that list and therefore was not updated. In any event, the Bank of the West commitment of construction financing to The Hunter House is still valid. Please see enclosed letter with a later commitment date. We had this letter in hand prior to the June 30, 2022, application deadline but did not include it because the staff guidance memo did not require it.

It stands to reason that Bank of the West, which has been an ardent supporter of this project from the beginning, continued its commitment as the project applied for Round 2. We would have included the updated commitment letter but opted to follow staff guidance as we assumed was expected.

Please reinstate the 10 Readiness to Proceed points based on the fact that Bank of the West is still committed to providing construction financing to The Hunter House project and being part of developing 120-units of special needs housing.

#### Non-Profit Homeless Set-aside

CTCAC's states that the Project is not eligible for the nonprofit homeless assistance set-aside because the application stated that 60 units would be available for homeless or formerly homeless individuals, rather than simply indicating "homeless" without reference to "formerly homeless."

The Project, however, was structured and intended to qualify for the set-aside and, despite the addition of "formerly homeless" language in the application, we now clarify and affirm that 60 units will be set aside for homeless individuals as required by CTCAC Regulation 10315 (b)(1). Further, the market study should also be read to clarify that 60 units will serve homeless tenants that meet the definition of 10315(b)(1). The imprecision of the language in the application and the market study on this point were unintended and, as such, the Project should be eligible for and considered in that set-aside.

#### Other: Services Reserve and Capitalized Investor Asset Management Fee Line Item

Finally, regarding the state credit reduction because of the exclusion of costs from the "Other" line, there is some confusion (1) based on the format of the application form and (2) because we inadvertently misstated the amount of the Services Reserve.

First, the application form lumps together the Capitalized LP Asset Mgt Fee (\$92,995) and the Services Reserve, but the amounts should be evaluated separately. To clarify, only the \$92,995 asset management should be excluded from the project costs; the Services Reserve is not a fee and should be included in costs.

Second, the question about the additional \$800,000 results from an inadvertent error in the application in that the line item that read only \$2 million for the reserve that should have read \$2.8 million. The correct figure is \$2.8 million, which matches what was previously submitted and approved in 2022 Round 1 for this purpose.

Service First, therefore, requests that CTCAC reinstate the additional \$800,000 so that the full \$2.8 million Services Reserve shows as an eligible project cost and that CTCAC adjust the state credits calculation accordingly.

Thank you for your consideration of this appeal.

Sincerely,

A handwritten signature in blue ink, appearing to read "Vernell Hill, Jr.", written in a cursive style.

CEO  
Vernell Hill, Jr.  
Service First of Northern California

Encl.

cc: Christina Alley, Central Valley Coalition for Affordable Housing  
Jeff Streiffer, Esq., Goldfarb & Lipman  
Amanda Kobler, Kobler Development Consulting  
Mary Ellen Shay, M.E. Shay Co.

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## M.E. Shay & Co.

1724 10th Street, Suite 110  
Sacramento CA 95811  
(916) 444-0288 • Fax (916) 444-3408

E-Mail: [meshay@meshayco.com](mailto:meshay@meshayco.com)  
Web Site: [www.meshayco.com](http://www.meshayco.com)

July 24, 2025

Ms. Nancee Robles, Executive Director  
California Tax Credit Allocation Committee  
915 Capitol Mall  
Sacramento, CA 95814

Re: CA-22-093 - The Hunter House

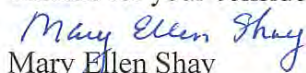
Dear Ms. Robles:

I am writing regarding the recent disqualification of The Hunter House by Timothy Handy, Development Program Manager, over the ability of one segment of the target market to pay rent at the AMI levels identified in the application. I believe this is a simple mis-communication between TCAC staff, since we have made extensive revisions, vetted by other TCAC staff, but NOT including Mr. Handy, addressing this issue. We believe that once Mr. Handy is made aware of this extensive communication between TCAC staff, Vernell Hill, and myself, he will rescind this disqualification. (I have attached related emails to this letter.)

I have also attached a copy of my in-person appeal to the Tax Credit Committee, which was heard by TCAC staff. During the conversation at that time, we agreed to work with Anthony Zeto and others to revise the market study demand analysis to address their concerns, and we believe that we have done so convincingly.

I would like to point out one other aspect of that testimony – which is the fact that upholding this disqualification on this very small technical point of rent overburden for one segment of the target population will result in the loss of 120 units of FULLY FUNDED affordable housing units in the city of Stockton. Where is the equity in denying this appeal on a point that we have completely refuted compared to the development of new housing for Stockton's low-income population? How does this aid in the reduction of homelessness? How does this decision add to the development of desperately needed affordable housing stock? The answer, of course, is that there is no equity here, and The Hunter House application should be reinstated for consideration. It is the only fair thing to do.

Thanks for your consideration.

  
Mary Ellen Shay  
M. E. Shay & Co.



Mary Ellen Shay <meshayco@gmail.com>

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## FW: The Hunter House

4 messages

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**Vernell Hill** <vhill@servicefirstnc.org>

Fri, Jun 17, 2022 at 9:33 AM

To: Mary Ellen Shay <meshayco@gmail.com>, Amanda Kobler <amanda@phasedeux.com>, Lisa Motoyama <lisa@communityeconomics.org>

Deadline for 2<sup>nd</sup> round is June 30, 2022.

Vernell

**From:** Zeto, Anthony <Anthony.ZETO@treasurer.ca.gov>

**Sent:** Friday, June 17, 2022 8:18 AM

**To:** Vernell Hill <vhill@servicefirstnc.org>

**Subject:** RE: The Hunter House

Hi Vernell,

The deadline for the 2<sup>nd</sup> round is June 30, 2022. With regard to the item related to the appeal, please make sure the market study addresses the rent overburden so it is clear how the residents will be able to pay the rents at the targeted levels. Also, in your appeal, you stated that the demand analysis included renters at risk of homelessness. I would suggest the market study specifically call that out so it is clear that the possible tenant population includes renters at risk of homelessness. If Mary Ellen has additional questions, please have her contact me.

Please also be aware that the project did not receive the full General Partner Experience points. While points were restored in the Service Amenities point category, I would recommend reviewing that section to clarify the items where points were initially reduced.

Thank you.

Anthony Zeto

Deputy Executive Director | CTCAC

(916) 654-9854 | [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov)

**From:** Vernell Hill <vhill@servicefirstnc.org>

**Sent:** Friday, June 17, 2022 7:49 AM

**To:** Zeto, Anthony <Anthony.ZETO@treasurer.ca.gov>

**Subject:** The Hunter House

CAUTION: EXTERNAL MAIL Do not click on links or open attachments unless you trust the sender and know the content is safe.

Anthony,

What is the deadline for the second round of tax credits. Also can you provide direction related to our appeal issues, so we can address them in our application and market study?

Thanks

Vernell

---

**Lisa Motoyama** <lisa@communityeconomics.org>

Fri, Jun 17, 2022 at 10:16 AM

To: Vernell Hill <vhill@servicefirstnc.org>, Mary Ellen Shay <meshayco@gmail.com>, Amanda Kobler <amanda@phasedeux.com>

Hi Vernell,

Will you be able to get a new market study and redoing the back up for your GP experience in time to submit by 6/30?  
Best, Lisa

Community Economics is looking for new team members. [Join us!](#)

Lisa Motoyama

Community Economics

510.832.8300, extension 4 – *forwards to my cellphone while working remotely*

Pronouns: she/her/hers

*Please note that CEI will closed the week of July 11<sup>th</sup> to appreciate the work of staff and their accomplishments.*

[Quoted text hidden]

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**Amanda Kobler** <amanda@phasedeux.com>

Fri, Jun 17, 2022 at 10:20 AM

To: Lisa Motoyama <lisa@communityeconomics.org>

Cc: Vernell Hill <vhill@servicefirstnc.org>, Mary Ellen Shay <meshayco@gmail.com>

I think the bigger concern is can we get a CPA cert for an additional project by the 30th to get full GP points?



Mary Ellen Shay <meshayco@gmail.com>

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## Hunter House Demand Analysis - Homeless and At-risk of Homelessness

4 messages

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**Mary Ellen Shay** <meshayco@gmail.com>

Mon, Jun 27, 2022 at 3:41 PM

To: gabrielle.stevenson@treasurer.ca.gov, Vernell Hill <vhill@servicefirstnc.org>, Amanda Kobler <amanda@phasedeux.com>

Dear Ms Stevenson:

I have attached those pages of the market study for Hunter House that pertain directly to homeless and at-risk of homelessness for your review.

I believe the homeless counts that have been conducted in Stockton (over 2,600 in 2019 and 2020) are based on the definition provided in your email, so the count is not overly broad.

We have also provided information requested by Mr. Zeto regarding households at-risk of homelessness.

We have used our standard methodology to determine need at the higher income levels.

Please let me know as soon as possible if this analysis is acceptable.


Thank you,

Mary Ellen Shay

--

Mary Ellen Shay  
916 444 0288 office  
916 799 0119 cell

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 **Hunter House Homeless Demand Analysis.pdf**  
1545K

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**Stevenson, Gabrielle** <Gabrielle.Stevenson@treasurer.ca.gov>

Mon, Jun 27, 2022 at 4:24 PM

To: Mary Ellen Shay <meshayco@gmail.com>, Vernell Hill <vhill@servicefirstnc.org>, Amanda Kobler <amanda@phasedeux.com>

Cc: "Zeto, Anthony" <Anthony.ZETO@treasurer.ca.gov>

Hi Mary Ellen-

Let me look this over with the team and respond to you as quickly as possible. Thank you.

Gabrielle Stevenson

Section Chief, Development | California Tax Credit Allocation Committee

CA State Treasurer's Office

(916) 651-7707, desk | (916) 539-4726, mobile

[gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov)



**From:** Mary Ellen Shay <meshayco@gmail.com>

**Sent:** Monday, June 27, 2022 3:42 PM

**To:** Stevenson, Gabrielle <Gabrielle.Stevenson@treasurer.ca.gov>; Vernell Hill <vhill@servicefirstnc.org>; Amanda Kobler <amanda@phasedeux.com>

**Subject:** Hunter House Demand Analysis - Homeless and At-risk of Homelessness

CAUTION: EXTERNAL MAIL Do not click on links or open attachments unless you trust the sender and know the content is safe.

[Quoted text hidden]

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**Zeto, Anthony** <Anthony.ZETO@treasurer.ca.gov>

Tue, Jun 28, 2022 at 9:40 AM

To: "Stevenson, Gabrielle" <Gabrielle.Stevenson@treasurer.ca.gov>, Mary Ellen Shay <meshayco@gmail.com>, Vernell Hill <vhill@servicefirstnc.org>, Amanda Kobler <amanda@phasedeux.com>

Hi Mary Ellen,

While it is being reviewed by staff, it was also observed that in the market study that the project reach stabilized occupancy in 10-12 months. Per the regulation section below, the project must reach stabilized occupancy within 6 months.

(iv) The demand for the proposed project's units must appear strong enough to reach stabilized occupancy – 90% occupancy for Special Needs projects and 95% for all other projects – within six months of being placed in service for projects of 150 units or less, and within 12 months for projects of more than 150 units and senior projects.

With regard to the at risk of homelessness, we wanted to clarify that the population used in the demand analysis include those prospective residents that fall under subsection (1) of the homeless assistance priority as shown below:

1. Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - A. Has a primary nighttime residence that is a public or private place not meant for human habitation;
  - B. Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, and local government programs); or
  - C. Is exiting an institution and resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

In order to qualify for the homeless assistance priority in the Nonprofit set aside, at least 50% of the Low Income Units need to be designated for the population above.

We are still reviewing what you sent us yesterday but wanted to at least provide you those comments.

Thank you.

Anthony Zeto

Deputy Executive Director | CTCAC

(916) 654-9854 | [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov)

[Quoted text hidden]

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**meshayco@gmail.com** <meshayco@gmail.com>

Tue, Jun 28, 2022 at 10:25 AM

To: "Zeto, Anthony" <Anthony.ZETO@treasurer.ca.gov>

Cc: "Stevenson, Gabrielle" <Gabrielle.Stevenson@treasurer.ca.gov>, Vernell Hill <vhill@servicefirstnc.org>, Amanda Kobler <amanda@phasedeux.com>

I did revise the absorption schedule. Will send it to you later. Thanks. Mary Ellen

Sent from my iPhone

On Jun 28, 2022, at 9:40 AM, Zeto, Anthony <[Anthony.ZETO@treasurer.ca.gov](mailto:Anthony.ZETO@treasurer.ca.gov)> wrote:

[Quoted text hidden]

CA-22-011 / The Hunter House – APPEAL of June 6, 2022 CTCAC Determination

This appeal is presented on behalf of The Hunter House, a 120-unit, 100% special needs project. The project is fully funded except for the TCAC allocation, and does NOT rely on subsidies for financial feasibility.

Surprisingly, TCAC has used the fact that the project does NOT have project-based subsidies, as the basis for the funding denial. The rationale is that the market study does not demonstrate that 1) there is a need for homeless assistance and 2) the identified special needs population can pay the proposed rent at the 15%, 30%, 40%, 50%, 55% and 60% AMI levels, BECAUSE THERE IS NO RENTAL SUBSIDY AT THE PROJECT.

In all three appeals, staff failed to explain why the needs analysis was insufficient, nor did they offer an alternative methodology to be employed. In fact, need was clearly shown at all AMI levels, with detailed information on the target population in the Primary Market Area. These numbers are based on an analysis of five factors: number of households tabulated by household income, household size, household tenure and household age. These are the best data available in estimating need and demand for The Hunter House. Information on income levels of the homeless only simply DOES NOT EXIST.

This methodology has been used and accepted for years in determining need for special needs projects and is only called into question because the very lowest income category, 15%, does not have a project based subsidy attached to it. Instead of acknowledging a funding stack that does not require project based vouchers for feasibility, TCAC turns this argument on its head, and says that without a subsidy, the lowest-income applicants will be rent overburdened, and should not be forced to overpay for this housing.

In Service First's several appeals, they also point out their many years of successful experience in serving the target population. The actual experience at Zettie Miller is by far the most valuable and accurate source of information about the feasibility of the project. No matter how recent the demographic estimates are, the live, real time performance at Zettie Miller is data that cannot be refuted, and is certainly much more reliable than the sparse and dated homeless information.

Several support letters are included in the appeals, and the specific success of the Zettie Miller project in Stockton is cited. At Zettie Miller, tenant outreach was extended the moment the project was approved, and the project had a long list of income-eligible tenants ready to move in on day one. This project also DOES NOT HAVE SUBSIDIES, but it is 100% full, with a lengthy waiting list. The residents include households using the Housing Authority's Housing Choice Voucher program, California's SSI/SSP program, and individual tenant incomes.

By our calculations, single persons receiving full SSI benefits (\$841/mo) would actually pay slightly more than the proposed 15% AMI 1BR rent where they pay 30% of income (\$252 vs 208). Couples receiving \$1,261 in SSI benefits would be paying \$378 for 2BR units, compared to the proposed \$249. There is obviously no evidence of rent overburden in these scenarios.

In essence, the solution to preventing (the unproven) rent overburden, as proposed by TCAC, is to deny the project appeal, return the other financial commitments, and leave the 120 potential tenants without a new housing resource.

How does this aid in the reduction of homelessness? How does denying this project add to number of affordable housing resources? How does this decision help California address its affordable housing crisis?



**Central Valley Low Income Housing Corp.**

July 25, 2022

Nancee Robles  
California Tax Credit Allocation Committee  
915 Capitol Mall #485  
Sacramento, CA 95814

Central Valley Low Income Housing Corp. (CVLIHC) supports the creation of 120 new units of affordable housing in the Stockton area through the proposed Hunter House project by Service First.

Funding for Hunter Housing through the California Tax Credit Allocation Committee will be a critical step in bringing this affordable housing project to reality. Rental units available to low and very low-income residents in the Stockton area are increasingly difficult to find in the past several years. New units of affordable housing are needed to meet the needs of low-income residents, especially those who are homeless. The location of the Hunter Housing project, near to the Stockton downtown core, will provide residents services and community amenities that they need, including easy access to public transportation.

CVLIHC's core mission is to provide rental assistance and support services to homeless and chronically homeless households. This project has committed to making units available to clients who receive rent support through our programs. Rent support made by CVLIHC on behalf of clients actively enrolled in one of our homeless housing support projects will be made by check, monthly, directly to the owner or designated property manager of the project on behalf of each enrolled household. This allows our clients, who are very low or extremely low income, to end their homelessness by obtaining affordable, safe, decent housing.

This partnership is a critical part of our community's overall effort to provide housing for the more than 2,000 persons who are homeless on any given night in San Joaquin County.

Thank you for your consideration and support for this important affordable housing project.

Jonathan Mendelson  
Executive Director, Central Valley Low Income Housing Corp.



March 21, 2022

Vernell Hill, Jr.  
President/CEO  
Service First of Northern California  
102 West Bianchi Road  
Stockton, CA 95207

Via e-mail

Re: Hunter House, a 120-unit new construction multifamily rental housing development at 610 North Hunter Street and 619 North San Joaquin Street, Stockton California (APN 139-060-15 and 33)

Dear Mr. Hill:

We are pleased to advise you that Bank of the West ("Lender") commits to make a real estate loan ("Loan") based upon the following terms and conditions, all of which are subject to complete due diligence acceptable to Lender in its reasonable discretion.

BORROWER	A Limited Partnership, to be formed, consisting of an acceptable tax credit investor, limited partner and a general partner subsidiary of Service First of Northern California (aka Sponsor), sponsor of subject development. The general partner shall be liable for payment and performance of all terms and conditions of the loan documents.
LP INVESTORS	Limited partner investor is subject to Lender's review and sole judgment of limited partnership agreement, equity pay-in schedule and investor's financial capacity and experience in UHTC investing.
GUARANTOR	Full performance, completion and repayment guarantee must be provided by Sponsor. The Guaranty is released upon completion of all improvements, recorded notice of completion, lien free title policy and full repayment of the Construction Loan.
PURPOSE	Loan proceeds will be used for the new construction of an apartment building consisting of 120 units of affordable housing

AMOUNT	Up to a \$52,000,000 loan, structured with two segments: <ol style="list-style-type: none"> <li>1. Convertible Note/ None</li> <li>2. Construction Loan-Note/ \$52,000,000.</li> </ol>
LOAN FEE	Construction: (0.75% of the commitment) payable at closing. Term: NA Construction: (1% of the commitment) payable at construction loan closing.
LOAN TERM	Construction Phase: 24 months Term Phase: NA
EXTENSION	One 6-month extension option subject to project completion and achievement of 90% of pro-forma lease-up. Extension fee is 0.25% of the full commitment amount.
INTEREST RATE:	Construction Loan 30-day SOFR or 1.75% as of this letter's date. As of this letter's date the all-in TAX-EXEMPT rate would be 4.0%.  The one-month SOFR is quoted by the Bank and shall be that one-month SOFR rate in effect two New York Banking Days prior to the beginning of each calendar month, adjusted for any reserve requirement and any subsequent costs arising from a change in government regulation, such rate to be reset at the beginning of each succeeding month.
REPAYMENT	Construction Phase: Interest due monthly on the advanced portion of the loan proceeds, payable from an established interest reserve allowance and project net operating income, if available.
SECURITY	The Loan will be secured by a first priority deed of trust on the improvements and personal property ("Property") owned by Borrower.
PROPERTY ADDRESS:	Parcel located at 610 North Hunter Street and 619 North San Joaquin Street, Stockton, CA (APN 139-060-15 and-33)
APPRAISAL	Prior to Loan closing, Lender shall have ordered and received, at Borrower's expense, an appraisal of the real property securing the Loan and shall have determined that the value, based on the Restricted Income Approach-Stabilized, value of the tax credits and value of below market financing, excluding personal property, is not less than the Construction Loan Amount divided by 80%, subject to Lender's review of demand, absorption and vacancy analysis. Said appraisal shall be satisfactory to Lender and in compliance with all regulatory requirements.
APPRAISAL REVIEW	To be completed by Lender's Commercial Appraisal Services (CAS) upon receipt of MAI appraisal.

COMMENCEMENT  
& COMPLETION

Construction of the Project shall commence no later than forty-five (45) days after the closing/initial funding date, and shall be completed no later than eighteen months after the closing/initial funding date.

RETAINAGE

Lender shall withhold from each Construction Loan disbursement 10% of the portion of the disbursement intended for payment of the Project's hard costs specified on the future Project Budget.

CANCELLATION;  
CHANGE OF  
TERMS

Lender's commitment is further subject to the condition that there shall not have occurred: (i) any material adverse change in the business, operations, or financial conditions of Borrower, any of its subsidiaries or any guarantors of this facility, (ii) any material diminution of value of the collateral proposed for the Loan, in each case determined by Lender in comparison to original appraisal date; (iii) discovery of any information which Lender reasonably determines has a negative impact on the proposed transaction; (iv) discovery of any adverse environmental conditions which cannot be adequately resolved to Lender's satisfaction;

(v) there is any change in the management of Borrower or Guarantor or in the Property or any security for the Loan; (vi) any representation or warranty shall prove to have been false when made by Borrower; or (vii) Borrower fails to disclose any material facts, execute the loan documents or comply with any terms of this Commitment. In any such circumstance, Lender may at its option change the terms of, add new terms and conditions, or cancel this Commitment.

GOVERNING  
LAW

Except to the extent federal law provides greater rights and remedies to Lender and except as otherwise required by state laws governing real property interests, the transactions contemplated hereunder shall be governed by the laws of the State of California.

OTHER  
CONDITIONS

This letter is being issued subject to the satisfaction of all conditions specified in this letter, including, but not limited to receipt of satisfactory Guarantor's financial statements, credit reports, appraisals, engineering reports, third-party reports, all due diligence confirming our underwriting assumptions and conclusions, and receipt of final credit authorization from our Credit Committee.

1. Lender review and approval of proposed term lender. Firm commitment of term loan and provided interest rate required prior to construction loan closing.
2. TCAC allocation approval;
3. Lender review and approval of tax-exempt debt terms and conditions;
4. Receipt and review of an MAI appraisal with the concluded value, restricted rents income approach, stabilized plus the value of the tax credits and below market financing value providing for not more than an 80% advance rate.
5. Lender approval of the tax credit investor, execution of the limited



- partnership agreement required at loan closing.
6. Equity at close: to be determined by Lender in its sole discretion.
  7. Review of the Phase I environmental site assessment and Phase II report (if applicable) by Lender's Environmental Risk Management. Services Department and Environmental consultant providing Lender with a Reliance Letter'.
  8. Lender's Third Party Architect cost review to confirm adequacy of the budget, upon submission of final architectural plans, specifications, final schedule of values, AIA Construction contract, AIA Architects contract, construction schedule, PML and soils report.
  9. Lender's confirmation of the adequacy of the interest reserve allowance upon submission of the construction schedule, lease-up projection and final schedule of values.
  10. ALTA Survey with all easements plotted.
  11. Ongoing Project Monitoring Compliance: a) partnership will provide Lender operating statements and rent rolls commencing at lease-up on a monthly basis and continuing until full repayment of Construction Loan; b) annual submission of the partnership tax returns (due after filing date); c) audited financial statement (due 120 days after year-end reporting period); d) at least annually, evidence that Property and Liability insurance is adequate and current; e) annual statement of compliance with LIHTC/IRS regulation.
  12. Ongoing Developer Monitoring Compliance: a) Service First of Northern California to provide self-prepared, quarterly income statements until Construction Loan repayment; b) Service First of Northern California to provide year end audited financial statement within 120 days after YE reporting period; c) Service First of Northern California to provide an annual update to their Schedule of Real Estate Holdings as of 12/31 of each calendar year.
  13. Insurance liability policy prior to conversion to a term loan in the amount of not less than \$5,000,000 with Bank of the West named as additional insured. After conversion to a term loan insurance liability policy amount may decline to \$1,000,000. A prepaid policy or policies of fire insurance with extended coverage, flood insurance (if required), earthquake insurance (if required and such other insurance as Bank requires, in such amounts, in such form, and with such companies as are acceptable to Bank, each with mortgagee clause in favor of Bank.
  14. Operating Reserve Requirement: At conversion, an Operating Deficit Reserve Escrow account shall be established according to limited partner requirements. The Operating Reserve Account will be maintained in an impound account with the Bank, which shall separate from the Corporation's operating accounts and invested in an interest-bearing federally insured account.
  15. Replacement Reserves: Beginning 30 days after term loan conversion, borrower shall deposit 1/12<sup>th</sup> of the required annual replacement reserve amount (\$60,000.00) for replacement reserves for the Property. Reserve account to be maintained in an impound account with Lender.
  16. Debt Coverage Ratio (the "DCR"): The following covenant represents language incorporated within our Loan Agreement document in regards to the ongoing operating performance of the complex.

*If the property DSC ratio is less than 1.00 to 1.00 for two consecutive years, an event of default will occur.*

*In the event that DCR is less than 1.00 to 1.00 during the term of the term loan, no cash distributions to the Borrower's partners will be permitted. The DCR will be calculated by dividing the actual Net Operating Income (NOI) by the Debt Service payment.*

ADDITIONAL  
CONDITIONS

No loan will exist and Lender will have no obligation to make the Loan or fund any money unless and until Borrower and Lender have executed the Loan Documents, containing such terms, conditions, representation and warranties as Lender, in its discretion requires, all in form, substance and execution satisfactory to Lender. As used herein, "Loan Documents" shall include but shall not be limited to the Loan Agreement, Promissory Note, Deed of Trust, Security Agreement, Financing Statement, Guaranties, and assignment documents for tax credits, partnership interests, architect's contract, and contractor's contract. Borrower shall promptly deliver to Lender any further documentation that may be required by Lender. No document that is to be delivered to Lender or it subject to Lender's approval shall be modified or terminated without the prior written approval of Lender. Accordingly, it should be recognized that this letter is indicative, but not exhaustive, as to the terms and conditions which shall govern this facility. Neither Lender nor Borrower shall be liable to the other on account of a failure to reach agreement regarding such other

EXPIRATION Unless lender grants an extension, this commitment will expire on 9/21/22

COMMITMENT  
FEE No charge.

Please indicate your acceptance by signing the enclosed acknowledgment copy of this letter, obtaining the signatures of all Guarantors and returning the signed copy. We look forward to working with you and your staff to complete this transaction.

Sincerely,



John Denton  
Director

ACCEPTANCE

THIS COMMITMENT APPROVED AND ACCEPTED THIS 21<sup>st</sup> DAY OF March, 2022

SPONSOR  
Service First of Northern California

A handwritten signature in blue ink, appearing to read "Vernell Hill, Jr.", written over the printed name.

Name: Vernell Hill, Jr.  
Title: President/CEO

NOTICE TO BORROWER(S)

TAXPAYER(S) I.D. NUMBER

Under the Federal income tax law, you are subject to certain penalties if you do not provide us with your correct social security number or other taxpayer identification number. Please read this notice carefully.

The Tax Reform Act of 1984 requires lenders to report interest received from an individual on a loan secured by real estate if the total interest received in the loan during the year is \$600 or more. The interest received and the borrower's taxpayer identification number must be reported to the Internal Revenue Service. This will allow the Internal Revenue Service to verify deductions for interest paid on loans secured by real estate.

You (as borrower) are required *to* provide your taxpayer identification number to us (as a lender). If you are an individual, your taxpayer identification number is your social security number. You may be subject to a penalty imposed by the Internal Revenue Service if you do not provide us with your correct taxpayer identification number.

Please supply your taxpayer identification number and phone number below

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Taxpayer Identification No. 68-0367046

Telephone Number 209-644-6421

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## GENERAL TERMS AND CONDITIONS

### CONDITIONS PRECEDENT

Lender's Commitment *to* make the Loan is contingent on satisfaction of the following requirements concurrently with or prior *to* the Loan closing:

I. Receipt by Lender of the following:

**Authority.** Satisfactory evidence of the authority of Borrower to enter into the transactions contemplated by this Commitment. Lender may require an opinion of Borrower's independent counsel that Borrower is validly organized and empowered to enter into the transactions which are subject to this Commitment.

**Documents.** Such documents, executed by such persons as Lender requires, which may include, without limitation, loan agreements, notes, deeds of trust, security agreements, UCC financing statements, guaranties, general and/or specific assignments of leases and rents, borrowing authorizations, and subordination, attornment and estoppel agreements.

**Title Insurance.** A commitment to issue a 1992 ALTA mortgagee's extended coverage title insurance policy, including all endorsements required by Lender, in the full amount of the Loan, and issued by a company acceptable to Lender. Lender's acceptance of said policy shall be subject to its approval of the following items: (i) title vesting, (ii) legal description (which must describe an insurable legal lot), (iii) Lender's lien priority upon recording Lender's security instruments, and (iv) encumbrances, easements, covenants, conditions, restrictions, or exceptions which must be accepted by Lender.

**Insurance.** A prepaid policy or policies of all-risk insurance with extended coverage flood insurance (if required), comprehensive general liability insurance, and such other insurance as Lender requires, in such amounts, in such form and with such companies as are acceptable to Lender, each with a mortgagee clause in favor of Lender.

**Governmental Requirements.** Satisfactory evidence that the Property complies with all applicable zoning, building, use and other governmental requirements and that all licenses, permits and agreements necessary for the lawful use and operation of the Property have been obtained. Required evidence may include, without limitation, copies of building permits and/or certificates of occupancy.

**Survey.** If required by Lender or title insurer, two copies of an acceptable survey prepared and certified by a registered land surveyor, which locates existing improvements, easements and encroachments.

**Financial Information.** Such financial statements, credit reports, tax returns, and other financial information, regarding Borrower, Guarantor and the Property as Lender requires.

**Environmental.** A satisfactory Phase One Environmental Site Assessment regarding regulated or hazardous substances, and a Certificate and Indemnity regarding hazardous substances executed by Borrower and the owner of the Property (if different). Lender may also require more extensive environmental testing by a qualified professional to determine the acceptability of the Property as collateral.

**Legal Opinion.** The opinion of counsel reasonably satisfactory to Lender covering such matters as Lender requires, which may include without limitation an opinion that (1) Borrower is duly organized and existing and in good standing in its state of organization and has been duly authorized to execute and deliver the loan documents, (2) Borrower is qualified to do business in all states where such qualification is required for the Loan, (3) the loan documents when executed and delivered will be the valid and binding obligations of Borrower and Guarantor, enforceable in accordance with their terms except as the same may be limited by bankruptcy, insolvency, reorganization, or similar laws or general principles of equity affecting creditor's rights generally, (4) the Loan complies with all applicable usury laws, and (5) all consents have been obtained which are required from any governmental authority in connection with the execution, delivery, and performance of the loan documents, (6) such other matters as Lender may reasonably require, (7) the Property and its use by Borrower comply with all applicable zoning, building, land use, environmental and other governmental requirements, including without limitation requirements relating to wetlands.

**Fees & Deposits.** All required loan fees and deposits shall have been paid.

The Property shall be in good condition, and no part of the Property shall have been damaged by fire or other casualty or be the subject of any eminent domain or condemnation proceedings.

All representation and warranties included herein shall be true and correct as the date of the Loan closing.

Borrower, Guarantor, the owner of the Property, any person providing any security for the Loan and any other relevant person shall satisfy such requirements, provide such information and execute such documents as Lender reasonably requires.

### **BORROWER DEPOSITS**

Prior to closing, Lender may require Borrower to make such cash deposit(s) in amounts which Lender, in its sole discretion, determines to be equal to the difference between (1) the amount required to accomplish the purpose of the Loan and to satisfy all conditions of the Loan and (2) the amount of the Loan.

### **DEFAULT INTEREST RATE; LATE CHARGE**

Each Promissory Note shall include a default interest rate which will be 5% over the rate contained in each Promissory Note. If a payment is 15 days or more past due, Borrower will be charged a late charge of 5% of the delinquent payment.

### **EXPENSES**

Borrower shall pay all fees and costs of negotiation, preparation and administration of the Loan and loan documents, whether or not the Loan Documents are executed and whether or not the loans are made available under the Loan Documents. Such fees and costs may include charges for services performed by Lender's employees or other persons and include but are not limited to costs of title insurance, surveys, environmental assessments, appraisals, appraisal review fees, escrow charges, taxes, attorney fees, inspection fees, filing and recording fees, and the costs incurred to satisfy all terms of this Commitment. This obligation survives the termination or expiration of the Commitment.

### **FUTURE SALE OR ENCUMBRANCE**

Lender may, at Lender's option, declare the entire principal balance of the Loan, together with interest, immediately due and payable if, without Lender's prior written consent (1) all or any part of the Property or any interest therein is sold, leased, transferred, further encumbered or alienated or (2) there is any change in ownership of any general partnership interest or capital stock in Borrower, unless Borrower publicly traded.

### **SECONDARY FINANCING**

There shall be no financing junior to the Loan without Lender's prior written consent. Lender consents to the commitment of Sacramento Housing & Redevelopment Agency funds, of which are subject to review of all documentation and will require the execution of a Subordination Agreement. Said commitments are junior to Lender's lien position.

### **ASSIGNMENT**

Lender may sell, assign or participate all or any portion of its interest in this Commitment and the Loan.

### **FINANCIAL INFORMATION**

From time to time, upon request by Lender, Borrower and Guarantor shall provide such information regarding the Property or parties as Lender requires.

## **REPRESENTATIONS AND WARRANTIES**

By accepting this Commitment, Borrower hereby makes the following representations and warranties. By signing the promissory note and deed of trust, Borrower shall be deemed to make the following representations and warranties, as of the date of execution thereof.

1. Borrower is duly organized and in good standing in its state of organization and is qualified to do business in all states where such qualification is required for the Loan.
2. Except as previously disclosed to Lender, there are no actions, proceedings, investigations or claims pending against or, to Borrower's knowledge, threatened against or affecting the Borrower. Guarantor or any person providing any security for the Loan, which could materially adversely affect the Property or any such person's ability to perform its loan obligations.
3. Borrower's execution, delivery and performance of this commitment, the Loan and the loan documents have been duly authorized, do not violate its articles of incorporation, partnership agreement, or any other organization documents, or any law, regulation, rule or order binding on Borrower and do not violate the provisions of or constitute a default under any indenture, loan agreement or other agreement or instrument to which Borrower is a party or by which it may be bound or affected.
4. The most recent financial statements furnished by Borrower and Guarantor to Lender fairly present such person's financial condition as of the date thereof. Since that date there has been no material adverse change in Borrower's or Guarantor's financial condition.
5. Borrower and the Property are in compliance with all applicable governmental laws, regulations and ordinances.
6. Borrower is not in breach of or in default under any agreement to which it is a party or which is binding on it or any of its assets.

## **ESCROW**

Lender may require that the Loan be closed with an escrow agent acceptable to Lender.

## **REAPPRAISAL**

If at any time Lender reasonably determines that a reappraisal of the Property is necessary, or if a reappraisal is required by any regulatory authority, Lender shall have the right to cause the Property to be reappraised and the appraisal reviewed, both at Borrower's expense.

## **NO THIRD PARTY BENEFICIARIES**

This Commitment is solely for the benefit of Borrower and Lender and Lender's successors and assigns and shall not inure to the benefit of, or be relied upon by, any other person or entity.



## **WAIVER OF COMMITMENT CONDITIONS**

Lender in its sole discretion may waive or modify, as provided herein, certain conditions or requirements of this commitment; however, no waiver or modification of any such condition or requirement shall be deemed or construed to be a waiver of any other provision of *this* commitment. No waiver shall be effective unless included in a writing signed by Lender.

## **ATTORNEY FEES**

If litigation is commenced to interpret or enforce any provision of this commitment, the prevailing party shall be entitled to recover all costs and expenses thereof, including without limitation, reasonable attorney fees in any appellate proceeding under the bankruptcy code or receivership.

## **DOCUMENTS SATISFACTION TO LENDER**

All information, documents and instruments required to be executed, delivered or provided to Lender shall be in form and substance satisfactory to Lender.

## **PRIOR AGREEMENTS**

This Commitment supersedes all prior oral or written negotiations, understandings, representations and agreements between the parties and may not be changed without the written agreement of Borrower and Lender.

## **CONSTRUCTION LOAN TERMS AND CONDITIONS**

### **PROJECT BUDGET**

The Project Budget, which will be attached to the Loan Agreement will set forth estimated costs of the project being financed with the Loan (the "Project") and the required equity to be provided by Borrower.

### **CONSTRUCTION LOAN CONDITIONS PRECEDENT**

In addition *to* the Conditions Precedent set forth in the General Terms and Conditions, Lender's commitment to close the Loan and make the first loan disbursement is also contingent on receipt of the following concurrently with or prior *to* the Loan closing:

1. A Construction Loan Agreement executed by Borrower and Guarantor.
2. Copies of the final plans and specifications, construction contract and architect's contract for the Project, each of which must be acceptable to Lender. The architect's contract must provide for course of construction certifications.
3. A report by an inspector selected by Lender, stating that the hard cost budget is sufficient to build the Project.

4. Evidence that all utilities are available to the site at budgeted cost;
5. A schedule of completion, which is to be updated with each draw request;
6. A geotechnical investigation (soils) report and compliance with recommendations therein;
7. If required by Lender, an assignment of plans and specifications, architect's contract and construction contract, with consent of architect or general contractor, as applicable.

### **SURVEYS**

In addition to the initial survey required by Conditions Precedent Section I, "Surveys", of the General Terms and Conditions, Lender may require a supplemental footing and foundation survey and a final as-built survey.

### **REQUIRED EQUITY**

Prior to closing, Borrower will provide to Lender the Required Equity specified on the Project Budget, in the form of cash and/or evidence of prepaid expenses satisfactory to Lender. Should Lender reasonably determine if at any time that insufficient funds are available to complete the Project in the manner originally proposed by Borrower and including such changed agreed to in writing by Lender, Borrower agrees to immediately deposit additional funds in such amount as required by Lender.

### **CONSTRUCTION LOAN DISBURSEMENTS**

Lender's agreement to make any construction loan disbursement (including the final disbursement) is subject to satisfaction of all terms and conditions in this Commitment Letter and satisfaction of the additional terms and conditions which will be included in the Construction Loan Agreement. Such Construction Loan Agreement will provide for an acceptable retainage to be withheld by Lender until the work has been completed to Lender's satisfaction, all potential liens satisfied, and a Certificate of Occupancy issued by the local building authority.

### **SIGNS**

Lender may require at the start of construction and thereafter until the Loan has been paid in full, that Borrower erect and maintain on the Property, in a conspicuous location, a sign to be supplied by Lender stating that financing is being provided by Lender. Lender may also publicize its involvement in providing the Loan to the Borrower, including naming the Borrower, the Loan Amount and the general nature of the Project.



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

### MEMBERS

FIONA MA, CPA, CHAIR  
State Treasurer

BETTY YEE  
State Controller

JOE STEPHENSHAW  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
Nancee Robles

August 2, 2022

Vernell Hill  
Service First of Northern California  
102 W. Bianchi Road  
Stockton, CA 95207

Email: [vhill@servicefirstnc.org](mailto:vhill@servicefirstnc.org)  
[chris@centralvalleycoalition.com](mailto:chris@centralvalleycoalition.com)

**RE: CA-22-093 / The Hunter House**

Dear Mr. Hill:

This letter is in response to the appeal letter received on July 26, 2022 of the California Tax Credit Allocation Committee (“CTCAC”) point and final tie breaker score reduction, credit reduction, and disqualification of the above referenced project.

CTCAC staff reduced the Housing Needs point category by ten (10) points because the application does not demonstrate that the unsubsidized units that the target population will not experience rent overburden, meaning the targeted rent is more than 30% of the target population’s income, as supported by the market study. CTCAC staff also reduced the Readiness to Proceed point category by ten (10) points because the letter from the Bank of the West states that the loan commitment expired on 3/21/22. As a result, all of the construction financing has not been committed to garner the 10 points.

CTCAC staff has determined that the “Other: Operating Deficit Reserve (\$2 million), Capitalized Investor Asset Management Fee (\$92,995)” line item in the amount of \$892,995 is excluded from the project costs since investor fees are not permitted to be included as a cost in the application, and the additional \$800,000 was not explained in the application. This correction reduces the state credit to \$10,892,447, a reduction from the \$12,008,691 requested.

CTCAC staff also determined that the Hunter House application does not qualify to compete under the Nonprofit set aside with the Homeless Assistance priority because the targeted population referenced in the application is not designated for homeless individuals, as defined in CTCAC

Regulation Section 10315(b)(1). Instead, the targeted population in the application fall in the category in subsection (2). Pursuant to CTCAC Regulation Section 10330(a), an applicant may file an appeal to (1) determination of the application point score, (2) disqualification from participation in the program pursuant to subsection 10325(c), or qualification for “additional threshold requirements,” pursuant to subsection 10325(g); and, determination of the Credit amount, pursuant to Section 10327. As a result, no appeal is being considered for this determination.

#### Housing Need / Disqualification

The appeal letter included a letter with attachments from the market analyst Mary Ellen Shay. The attachments include the in-person appeal statement to the Committee from the first round application in addition to email correspondence submitted prior to the application filing deadline. You stated that the lack of project-based subsidies does not create rent overburden based on the applicant’s experience with a similar project. The appeal letter references the use of tenant-based vouchers, an operating reserve, and the availability of SSI/SSP income for the targeted population. You also provided a support letter from the Central Valley Low Income Housing Corporation stating that they will provide rent support for the residents at the project. The appeal letter stated that these subsidies will ensure that the potential tenant population used to calculate the demand, capture rate, and penetration rate identified in the market study do not experience a rent overburden.

Following review of the appeal letter, the application, and CTCAC regulations, I find that the information may address some of the units (i.e. 15% AMI), it fails to address the rent overburden issue for all of the units. On Page 71 of the market study, it references SSI income of \$841 and \$1,261 per month for singles and couples respectively. Assuming those figures, the units with proposed rents higher than 15% AMI, which equate to \$621 for one-bedroom units (40% AMI) and \$559 for two bedroom units (30% AMI) exceed 30% of those individuals’ income resulting in rent overburden. With regard to other rental subsidies or rent support provided by Central Valley Low Income Housing Corporation, there is no subsidy amount information provided in the support letter evidencing that all residents in the project do not experience rent overburden. As a result, the appeal is not granted.

#### Readiness to Proceed

The appeal letter stated that the commitment letter used in the 2022 Round 1 was re-submitted in the 2022 Round 2 application in reliance of the June 17, 2022 CTCAC memorandum, "Guidance for First Round Applicants Re-Applying in the Second Round," which stated that CTCAC will accept documents submitted in the first round with exception a list of documents that did not include financing commitment letters. With that said, you explained that the Bank of the West commitment of construction financing was still valid and the appeal letter included an updated commitment letter with an expiration date of September 21, 2022, which you stated existed prior to the June 30, 2022 application filing deadline.

Following review of the appeal letter, the application, and CTCAC regulations, I find that the commitment letter included with your appeal letter confirms the updated expiration date. As a result, the appeal is granted.

#### Credit Reduction

The appeal letter stated the there is some confusion based on the format of the application form and that they inadvertently misstated the amount of the Operating Deficit Reserve. You explained that the

additional \$800,000 was a result of an inadvertent error and that the Operating Deficit Reserve should be \$2.8 million rather than \$2 million and only the \$92,995 shall be excluded.

Following review of the appeal letter, the application, and CTCAC regulations, I find that the appeal letter clarified the Operating Deficit Reserve amount. As a result, the appeal is partially granted where the requested state tax credit request has been revised to \$11,892,447.

A new point letter is attached. Please feel free to contact me at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov) should you have any questions or concerns. If you wish to appeal this decision, you may email your appeal in writing to Executive Director Nancee Robles at [nancee.robles@treasurer.ca.gov](mailto:nancee.robles@treasurer.ca.gov) and cc me at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov). Your appeal must be received by CTCAC no later than August 8, 2022.

Sincerely,



Anthony Zeto  
Deputy Executive Director

Enclosure



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 485
Sacramento, CA 95814
p (916) 654-6340
f (916) 654-6033
www.treasurer.ca.gov/ctcac

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Executive Director of CalHFA

EXECUTIVE DIRECTOR
NANCEE ROBLES

REVISED

August 2, 2022

Vernell Hill
Service First of Northern California
102 W. Bianchi Road
Stockton, CA 95207

Email: vhill@servicefirstnc.org
chris@centralvalleycoalition.com

RE: CA-22-093 / The Hunter House

Dear Mr. Hill:

Following your submission for the California Tax Credit Allocation Committee (CTCAC) second 2022 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comment. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

Table with 3 columns: Item, Points Requested, Points Awarded. Rows include General Partner Experience, Management Experience, Housing Needs, Site Amenities, Service Amenities, Lowest Income, Readiness to Proceed, Miscellaneous Federal and State Policies, and a TOTAL row.

CTCAC staff reduced the Housing Needs point category by ten (10) points because the application does not demonstrate that the identified special needs population can pay the proposed rent for the special needs units targeted at the 30%, 40%, 50%, 55% and 60% AMI levels, as there is no rental subsidy at the project. The Market Study in Tab 13 states that the potential tenant population consists of individuals with Supplemental Security Income (SSI). The income described in the market study includes households with income levels at \$841 for one person, and \$1,261 for a two-person household. These income levels allow rents no higher than \$252.30 to \$378.3, respectively, as to not exceed 30% of the target population's income. CTCAC Regulation Section 10325(g)(3)(C) defines rent overburden as when the targeted rent is more than 30% of the target population(s) income, which means the potential tenant population used to calculate the demand, capture rate, and penetration rate is based off tenants who would be rent overburden. In addition, the market study does not explain how the target population can pay the proposed rents.

CTCAC staff also determined that the Hunter House application does not qualify to compete under the Non-Profit Homeless Assistance set-aside pursuant to CTCAC Regulation Section 10315(b). To qualify under Non-Profit Homeless Assistance set-aside, at least 50% of the project units must be designated for homeless individuals, as defined in CTCAC Regulation Section 10315(b)(1). 10315(b)(1) defines homeless individuals as an "individual or family who lacks a fixed, regular, and adequate nighttime residence," and does not include formerly homeless or individuals at-risk of homelessness; instead, these individuals are addressed in 10315(b)(2), which is not a qualifying population for the Non-Profit Homeless Assistance set-aside. Additionally, the submitted E-App specifies that 60 units (50% of the total units) will be for homeless or formerly homeless individuals, and the attached market study provides no further clarification. In order to qualify for this set-aside, 60 units of the total 119 low-income units must be offered to homeless individuals that meet the definition of 10315(b)(1), which has not been demonstrated sufficiently.

CTCAC has calculated your Final Tie Breaker score and the score is 71.800%.

In the application, the final tie breaker self-score is 70.781%. CTCAC staff removed the Excess Purchase Price Over Appraised Value from the Final Tie Breaker in the amount of -\$211,352. CTCAC staff also noted that \$589,823 of ineligible offsite costs had been incorrectly entered as a negative number, causing addition of the value instead of subtraction from the soft financing numerator. As a result, the adjustment increased the numerator resulting in an increase to the final tie breaker score.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects' scoring letters since individual letters will be sent later as the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact **Sarah Gullikson** after the final awards have been made.

We appreciate your interest in the Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,



Timothy Handy  
Development Program Manager



Vernell Hill, Jr.  
Founder  
Chief Executive Officer

August 8, 2022

Ms. Nancee Robles  
Executive Director  
California Tax Credit Allocation Committee  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
Nancee.robles@treasurer.ca.gov

VIA EMAIL

**RE: CA-22-011 / The Hunter House Round 2 –  
APPEAL OF CTCAC DETERMINATION DATED AUGUST 2, 2022**

Dear Ms. Robles,

Thank you in advance for your consideration of this appeal by applicant Service First of Northern California (Service First) for The Hunter House project, a 120-unit, 100% special needs project in Stockton, California, targeting homeless populations (Project).

On July 19, 2022, Service First received two determinations from CTCAC, both dated July 19, 2022. One of the CTCAC letters was a threshold determination, stating that the application did not demonstrate that the target population could pay the proposed rents and, therefore, the application did not meet the housing type requirements in CTCAC Regulation 10325 (g)(3)(C). That letter also reduced the state credit calculation by excluding \$892,995 from the project cost. The second letter contained determinations regarding (1) point reductions in the Housing Needs and Readiness to Proceed categories and (2) the application's eligibility for the Nonprofit Homeless set-aside.

On August 2, 2022, CTCAC partially granted Service First's appeal but ultimately upheld the agency's decision regarding the housing type threshold determination and the point reduction in the Housing Needs category. This letter further appeals that decision.

Housing Type Requirement and Housing Needs Point Reduction

The threshold issue of housing type and the housing need category point reduction rely on the same rationales related to the sufficiency of the market study and the ability of the target population to pay the proposed rents. As stated in our prior appeal, it was our understanding that this issue was resolved prior to submission and we are surprised to see the same issued raised again, ignoring the substantial documentation provided by The Hunter House in the Round 2 application. CTCAC's determinations on these issues now are contrary to the discussions the Hunter House project team had with staff prior to the submittal deadline of June 30, 2022. We believe the market study sufficiently addresses the matter.

**Headquarters**

102 W. Bianchi Road • Stockton, CA 95207 • (209) 644-6300 • Fax (209) 644-6333



We again provide the enclosed letter from Mary Ellen Shay, the market study preparer, and the attachments thereto, documenting some of these discussions, providing evidence of the housing needs, and explaining how the lack of project based operating subsidies does not create rent overburden in light of the past experience of the applicant with a similar project, the realistic expectation of tenant-based vouchers, the availability of SSI/SSP income for this special needs population, and the provision of an operating reserve.

We also believed we had established that the Central Valley Low Income Housing Corp. (Central Valley) had committed to providing tenant-based subsidies for the residents of the Project. Central Valley is a local organization that provides direct homeless housing support for tenants living in properties such as The Hunter House. They refer their enrolled clients as potential tenants to local housing providers then pay rent support checks on behalf of those tenants directly to property owners (similar structure as Section 8).

CTCAC's August 2, 2022, determination acknowledged that the information provided by Service First addressed the rent overburden issue as related to the 15% units. However, CTCAC stated that there was insufficient information about the subsidy amounts being offered by Central Valley to ensure that tenants in the 30% and 40% units would not be rent overburdened. Specifically, CTCAC said it had insufficient information regarding those tenants whose rent would be set at \$621 for one-bedroom units (40% AMI) and \$559 for two-bedroom units (30% AMI).

Central Valley has provided additional clarification regarding its commitment and has provided subsidy amount information in the attached letter, showing that its tenant-based rental subsidy program pays up to \$992 for one-bedroom units and up to \$1,305 for two -bedroom units. This clarification explains why the tenants of the Project will not experience rent overburden.

As CTCAC is aware, Service First has extensive experience serving individuals with special needs and there is no question that the Stockton area would greatly benefit from a project targeting homeless individuals with special needs, our most vulnerable citizens. This Project leverages tremendous state and local resources, all committed to the cause. These commitments, combined with Service First's experience, all provide evidence that the Project will be successful.

Based on the above, we ask that CTCAC continue its consideration of our application and that it restore 10 points to the Housing Needs point category.

#### Nonprofit Set Aside

Citing CTCAC regulation 10315(b)(1) and (b)(2), the CTCAC August 2, 2022, determination also upheld the CTCAC July 26, 2022, decision and concluded that the Project did not qualify for the nonprofit homeless set aside because the 50% of the units were being set aside for homeless individuals and for "formerly homeless or individuals at-risk of homelessness." (Aug. 2 Determination at p. 2.) Further, CTCAC said that this issue was not appealable under Regulation 10330(a).

The provisions in 10315(b)(1) that set forth the qualifications for the set aside require that 50% of the units in the development be targeted for tenants who meet the following qualifications:

(1) Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

(A) Has a primary nighttime residence that is a public or private place not meant for human habitation;

(B) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, and local government programs); or

(C) Is exiting an institution and resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

This definition, however, is not strictly related to individuals and families who are actually and presently homeless. It also includes individuals who were formerly homeless but are now housed in dynamic, irregular, and inadequate situations, or who are living in certain temporary, emergency, or institutional settings. In other words, (b)(1) includes certain individuals and families who are formerly homeless or at risk of homelessness.

Further, individuals and families who were formerly homeless or at risk of homelessness can, but do not necessarily, fit into the provisions of 10315(b)(2), which states:

(2) Individual or family who will imminently lose their primary nighttime residence, provided that:

(A) Residence will be lost within 14 days of the date of application for homeless assistance;

(B) No subsequent residence has been identified; and

(C) The individual or family lacks the resources or support networks needed to obtain other permanent housing.

While individuals and families who meet the requirements in (b)(2) may be formerly homeless and are surely at risk of homelessness, this does not mean individuals and families that are formerly homeless or at risk of homelessness necessarily must fit into (b)(2) since, as we see above, they can also fit into (b)(1). The provisions of (b)(1) and (b)(2) are not exclusive of each other in the sense that we have seen that both can include the formerly homeless and those at risk of homelessness.

Importantly and perhaps the source of the misunderstanding, is that CTCAC regulations do not define "formerly homeless" or "at risk of homelessness." Therefore, CTCAC has erred in using those terms as applied to the actual regulatory requirements under which the application was evaluated. And if there was any ambiguity in what this meant, there certainly wasn't any ambiguity in the fact that Service First applied for the nonprofit homeless set aside and it was clear from the application that this was the intent.

That CTCAC has indicated that this issue not appealable is problematic because the regulations state that issues that appealable are limited to issues of scoring, disqualification, or threshold requirements. (See 10330(a).) This list of appealable issues was drafted to functionally to exclude certain types of appeals related to matters that should not be appealable while ensuring access to appeal for issues related to the eligibility of the application and its competitive scoring evaluation. The issue of eligibility for this particular set aside fits the intent of the regulations as something that should be appealable because it is, essentially a threshold issue and because the impact of this determination does have to do with eligibility, scoring, and competitive evaluation in the sense that participation in the appropriate set aside directly affects these aspects of the application. Therefore, we request that CTCAC reconsider its determination on this issue.

We also note that placement in a particular set aside has historically been subject to CTCAC discretion, depending on the circumstances of the particular application, and CTCAC could choose to exercise its discretion to place any particular application in the appropriate set aside here outside of the appeals process. Since, however, this issue was raised in a disqualification letter (which is appealable), it appeared that the appropriate channel in which to challenge CTCAC's misinterpretation on this point would be through the correspondence related to the appeal. If there is some other channel that CTCAC feels would be appropriate, we ask that you deem our conversations on that point to have occurred in that fashion and request guidance on how to continue it outside of the appeals process.

### Conclusion

Service First has demonstrated that the 30% AMI and 40% AMI units will not experience rent overburden. Therefore, the application meets the housing type requirement necessary to continue consideration of the application and the points in the Housing Need category should be restored.

Also, CTCAC erroneously determined that the Project did not qualify for the set aside because it incorrectly construed the terms "formerly homeless" and "at risk of homelessness" in the context of its regulations, which regulations do not define either term. And there should be some available relief in this situation, whether through the appeals process because the issue meets the intent of the regulations for appealable issues or through other discretionary or administrative action, because the target population simply did not, by definition, fail to meet the requirements of 10315(b)(1) and does not, by definition, necessarily fall into 10315(b)(2) as CTCAC concluded.

Service First has provided sufficient information in its application to meet the regulatory requirements for the set aside and we as that it be considered under the nonprofit homeless set aside as stated in the application.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Vernell Hill, Jr.", written over a horizontal line.

Vernell Hill, Jr.  
CEO  
Service First of Northern California

Encl.

cc: Christina Alley, Central Valley Coalition for Affordable Housing  
Anthony Zeto, CTCAC Deputy Director  
Amanda Kobler, Kobler Development Consulting  
Mary Ellen Shay, M.E. Shay Co.



**Central Valley Low Income Housing Corp.**

July 25, 2022

Nancee Robles  
California Tax Credit Allocation Committee  
915 Capitol Mall #485  
Sacramento, CA 95814

**Revised/clarification**

Central Valley Low Income Housing Corp. (CVLIHC) supports the creation of 120 new units of affordable housing in the Stockton area through the proposed Hunter House project by Service First.

Funding for Hunter Housing through the California Tax Credit Allocation Committee will be a critical step in bringing this affordable housing project to reality. Rental units available to low and very low-income residents in the Stockton area are increasingly difficult to find in the past several years. New units of affordable housing are needed to meet the needs of low-income residents, especially those who are homeless. The location of the Hunter Housing project, near to the Stockton downtown core, will provide residents services and community amenities that they need, including easy access to public transportation.

CVLIHC's core mission is to provide rental assistance and support services to homeless and chronically homeless households as defined in CTCAC regulation Section 10315 (b), (1). This project has committed to making units available to clients who receive rent support through our programs. Rent support made by CVLIHC in our tenant-based rental assistance program, can pay up \$992.00 for a one-bedroom unit and \$1,305.00 for a two bed-room unit, on behalf of clients actively enrolled in one of our homeless housing support projects will be made by check, monthly, directly to the owner or designated property manager of the project on behalf of each enrolled household. This allows our clients, who are very low or extremely low income, to end their homelessness by obtaining affordable, safe, decent housing.

This partnership is a critical part of our community's overall effort to provide housing for the more than 2,000 persons who are homeless on any given night in San Joaquin County.

Thank you for your consideration and support for this important affordable housing project.

Jonathan Mendelson  
Executive Director, Central Valley Low Income Housing Corp.

Location: 2431 W. March Lane, Ste. 350; Stockton, CA 95207 — Mailing: P.O. Box 4732; Stockton, CA 95204-0732  
Website: [www.cvlihc.org](http://www.cvlihc.org); Phone: 209-472-7200; Fax: 209-954-9548; Email: [contact@cvlihc.org](mailto:contact@cvlihc.org)

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## M.E. Shay & Co.

1724 10th Street, Suite 110  
Sacramento CA 95811  
(916) 444-0288 • Fax (916) 444-3408

E-Mail: [meshay@meshayco.com](mailto:meshay@meshayco.com)  
Web Site: [www.meshayco.com](http://www.meshayco.com)

July 24, 2025

Ms. Nancee Robles, Executive Director  
California Tax Credit Allocation Committee  
915 Capitol Mall  
Sacramento, CA 95814

Re: CA-22-093 - The Hunter House


Dear Ms. Robles:

I am writing regarding the recent disqualification of The Hunter House by Timothy Handy, Development Program Manager, over the ability of one segment of the target market to pay rent at the AMI levels identified in the application. I believe this is a simple mis-communication between TCAC staff, since we have made extensive revisions, vetted by other TCAC staff, but NOT including Mr. Handy, addressing this issue. We believe that once Mr. Handy is made aware of this extensive communication between TCAC staff, Vernell Hill, and myself, he will rescind this disqualification. (I have attached related emails to this letter.)

I have also attached a copy of my in-person appeal to the Tax Credit Committee, which was heard by TCAC staff. During the conversation at that time, we agreed to work with Anthony Zeto and others to revise the market study demand analysis to address their concerns, and we believe that we have done so convincingly.

I would like to point out one other aspect of that testimony – which is the fact that upholding this disqualification on this very small technical point of rent overburden for one segment of the target population will result in the loss of 120 units of FULLY FUNDED affordable housing units in the city of Stockton. Where is the equity in denying this appeal on a point that we have completely refuted compared to the development of new housing for Stockton's low-income population? How does this aid in the reduction of homelessness? How does this decision add to the development of desperately needed affordable housing stock? The answer, of course, is that there is no equity here, and The Hunter House application should be reinstated for consideration. It is the only fair thing to do.

Thanks for your consideration.

  
Mary Ellen Shay  
M. E. Shay & Co.



Mary Ellen Shay <meshayco@gmail.com>

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## FW: The Hunter House

4 messages

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Vernell Hill <vhill@servicefirstnc.org>

Fri, Jun 17, 2022 at 9:33 AM

To: Mary Ellen Shay <meshayco@gmail.com>, Amanda Kobler <amanda@phasedeux.com>, Lisa Motoyama <lisa@communityeconomics.org>

Deadline for 2<sup>nd</sup> round is June 30, 2022.

Vernell

**From:** Zeto, Anthony <Anthony.ZETO@treasurer.ca.gov>

**Sent:** Friday, June 17, 2022 8:18 AM

**To:** Vernell Hill <vhill@servicefirstnc.org>

**Subject:** RE: The Hunter House

Hi Vernell,

The deadline for the 2<sup>nd</sup> round is June 30, 2022. With regard to the item related to the appeal, please make sure the market study addresses the rent overburden so it is clear how the residents will be able to pay the rents at the targeted levels. Also, in your appeal, you stated that the demand analysis included renters at risk of homelessness. I would suggest the market study specifically call that out so it is clear that the possible tenant population includes renters at risk of homelessness. If Mary Ellen has additional questions, please have her contact me.

Please also be aware that the project did not receive the full General Partner Experience points. While points were restored in the Service Amenities point category, I would recommend reviewing that section to clarify the items where points were initially reduced.

Thank you.

Anthony Zeto

Deputy Executive Director | CTCAC

(916) 654-9854 | azeto@treasurer.ca.gov

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**From:** Vernell Hill <vhill@servicefirstnc.org>

**Sent:** Friday, June 17, 2022 7:49 AM

**To:** Zeto, Anthony <Anthony.ZETO@treasurer.ca.gov>

**Subject:** The Hunter House

CAUTION: EXTERNAL MAIL Do not click on links or open attachments unless you trust the sender and know the content is safe.

Anthony,

What is the deadline for the second round of tax credits. Also can you provide direction related to our appeal issues, so we can address them in our application and market study?

Thanks

Vernell

---

**Lisa Motoyama** <lisa@communityeconomics.org>

Fri, Jun 17, 2022 at 10:16 AM

To: Vernell Hill <vhill@servicefirstnc.org>, Mary Ellen Shay <meshayco@gmail.com>, Amanda Kobler <amanda@phasedeux.com>

Hi Vernell,

Will you be able to get a new market study and redoing the back up for your GP experience in time to submit by 6/30?  
Best, Lisa

Community Economics is looking for new team members. [Join us!](#)

Lisa Motoyama

Community Economics

510.832.8300, extension 4 – *forwards to my cellphone while working remotely*

Pronouns: she/her/hers

*Please note that CEI will closed the week of July 11<sup>th</sup> to appreciate the work of staff and their accomplishments.*

[Quoted text hidden]

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**Amanda Kobler** <amanda@phasedeux.com>

Fri, Jun 17, 2022 at 10:20 AM

To: Lisa Motoyama <lisa@communityeconomics.org>

Cc: Vernell Hill <vhill@servicefirstnc.org>, Mary Ellen Shay <meshayco@gmail.com>

I think the bigger concern is can we get a CPA cert for an additional project by the 30th to get full GP points?





Mary Ellen Shay <meshayco@gmail.com>

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## Hunter House Demand Analysis - Homeless and At-risk of Homelessness

4 messages

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Mary Ellen Shay <meshayco@gmail.com>

Mon, Jun 27, 2022 at 3:41 PM

To: gabrielle.stevenson@treasurer.ca.gov, Vernell Hill <vhill@servicefirstnc.org>, Amanda Kobler <amanda@phasedeux.com>

Dear Ms Stevenson:

I have attached those pages of the market study for Hunter House that pertain directly to homeless and at-risk of homelessness for your review.

I believe the homeless counts that have been conducted in Stockton (over 2,600 in 2019 and 2020) are based on the definition provided in your email, so the count is not overly broad.

We have also provided information requested by Mr. Zeto regarding households at-risk of homelessness.

We have used our standard methodology to determine need at the higher income levels.

Please let me know as soon as possible if this analysis is acceptable.

Thank you,

Mary Ellen Shay

---  
Mary Ellen Shay  
916 444 0288 office  
916 799 0119 cell

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 **Hunter House Homeless Demand Analysis.pdf**  
1545K

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Stevenson, Gabrielle <Gabrielle.Stevenson@treasurer.ca.gov>

Mon, Jun 27, 2022 at 4:24 PM

To: Mary Ellen Shay <meshayco@gmail.com>, Vernell Hill <vhill@servicefirstnc.org>, Amanda Kobler <amanda@phasedeux.com>

Cc: "Zeto, Anthony" <Anthony.ZETO@treasurer.ca.gov>

Hi Mary Ellen-

Let me look this over with the team and respond to you as quickly as possible. Thank you.

Gabrielle Stevenson

Section Chief, Development | California Tax Credit Allocation Committee

CA State Treasurer's Office

(916) 651-7707, desk | (916) 539-4726, mobile

[gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov)

**From:** Mary Ellen Shay <meshayco@gmail.com>

**Sent:** Monday, June 27, 2022 3:42 PM

**To:** Stevenson, Gabrielle <Gabrielle.Stevenson@treasurer.ca.gov>; Vernell Hill <vhill@servicefirstnc.org>; Amanda Kobler <amanda@phasedeux.com>

**Subject:** Hunter House Demand Analysis - Homeless and At-risk of Homelessness

CAUTION: EXTERNAL MAIL Do not click on links or open attachments unless you trust the sender and know the content is safe.

[Quoted text hidden]

**Zeto, Anthony** <Anthony.ZETO@treasurer.ca.gov>

Tue, Jun 28, 2022 at 9:40 AM

To: "Stevenson, Gabrielle" <Gabrielle.Stevenson@treasurer.ca.gov>, Mary Ellen Shay <meshayco@gmail.com>, Vernell Hill <vhill@servicefirstnc.org>, Amanda Kobler <amanda@phasedeux.com>

Hi Mary Ellen,

While it is being reviewed by staff, it was also observed that in the market study that the project reach stabilized occupancy in 10-12 months. Per the regulation section below, the project must reach stabilized occupancy within 6 months.

(iv) The demand for the proposed project's units must appear strong enough to reach stabilized occupancy – 90% occupancy for Special Needs projects and 95% for all other projects – within six months of being placed in service for projects of 150 units or less, and within 12 months for projects of more than 150 units and senior projects.

With regard to the at risk of homelessness, we wanted to clarify that the population used in the demand analysis include those prospective residents that fall under subsection (1) of the homeless assistance priority as shown below:

1. Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - A. Has a primary nighttime residence that is a public or private place not meant for human habitation;
  - B. Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, and local government programs); or
  - C. Is exiting an institution and resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

In order to qualify for the homeless assistance priority in the Nonprofit set aside, at least 50% of the Low Income Units need to be designated for the population above.

We are still reviewing what you sent us yesterday but wanted to at least provide you those comments.

Thank you.

Anthony Zeto

Deputy Executive Director | CTCAC

(916) 654-9854 | [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov)

[Quoted text hidden]

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**meshayco@gmail.com** <meshayco@gmail.com>

Tue, Jun 28, 2022 at 10:25 AM

To: "Zeto, Anthony" <[Anthony.ZETO@treasurer.ca.gov](mailto:Anthony.ZETO@treasurer.ca.gov)>

Cc: "Stevenson, Gabrielle" <[Gabrielle.Stevenson@treasurer.ca.gov](mailto:Gabrielle.Stevenson@treasurer.ca.gov)>, Vernell Hill <[vhill@servicefirstnc.org](mailto:vhill@servicefirstnc.org)>, Amanda Kobler <[amanda@phasedeux.com](mailto:amanda@phasedeux.com)>

I did revise the absorption schedule. Will send it to you later. Thanks. Mary Ellen

Sent from my iPhone

On Jun 28, 2022, at 9:40 AM, Zeto, Anthony <[Anthony.ZETO@treasurer.ca.gov](mailto:Anthony.ZETO@treasurer.ca.gov)> wrote:

[Quoted text hidden]

CA-22-011 / The Hunter House – APPEAL of June 6, 2022 CTCAC Determination

This appeal is presented on behalf of The Hunter House, a 120-unit, 100% special needs project. The project is fully funded except for the TCAC allocation, and does NOT rely on subsidies for financial feasibility.

Surprisingly, TCAC has used the fact that the project does NOT have project-based subsidies, as the basis for the funding denial. The rationale is that the market study does not demonstrate that 1) there is a need for homeless assistance and 2) the identified special needs population can pay the proposed rent at the 15%, 30%, 40%, 50%, 55% and 60% AMI levels, BECAUSE THERE IS NO RENTAL SUBSIDY AT THE PROJECT.

In all three appeals, staff failed to explain why the needs analysis was insufficient, nor did they offer an alternative methodology to be employed. In fact, need was clearly shown at all AMI levels, with detailed information on the target population in the Primary Market Area. These numbers are based on an analysis of five factors: number of households tabulated by household income, household size, household tenure and household age. These are the best data available in estimating need and demand for The Hunter House. Information on income levels of the homeless only simply DOES NOT EXIST.

This methodology has been used and accepted for years in determining need for special needs projects and is only called into question because the very lowest income category, 15%, does not have a project based subsidy attached to it. Instead of acknowledging a funding stack that does not require project based vouchers for feasibility, TCAC turns this argument on its head, and says that without a subsidy, the lowest-income applicants will be rent overburdened, and should not be forced to overpay for this housing.

In Service First's several appeals, they also point out their many years of successful experience in serving the target population. The actual experience at Zettie Miller is by far the most valuable and accurate source of information about the feasibility of the project. No matter how recent the demographic estimates are, the live, real time performance at Zettie Miller is data that cannot be refuted, and is certainly much more reliable than the sparse and dated homeless information.

Several support letters are included in the appeals, and the specific success of the Zettie Miller project in Stockton is cited. At Zettie Miller, tenant outreach was extended the moment the project was approved, and the project had a long list of income-eligible tenants ready to move in on day one. This project also DOES NOT HAVE SUBSIDIES, but it is 100% full, with a lengthy waiting list. The residents include households using the Housing Authority's Housing Choice Voucher program, California's SSI/SSP program, and individual tenant incomes.

By our calculations, single persons receiving full SSI benefits (\$841/mo) would actually pay slightly more than the proposed 15% AMI 1BR rent where they pay 30% of income (\$252 vs 208). Couples receiving \$1,261 in SSI benefits would be paying \$378 for 2BR units, compared to the proposed \$249. There is obviously no evidence of rent overburden in these scenarios.

In essence, the solution to preventing (the unproven) rent overburden, as proposed by TCAC, is to deny the project appeal, return the other financial commitments, and leave the 120 potential tenants without a new housing resource.

How does this aid in the reduction of homelessness? How does denying this project add to number of affordable housing resources? How does this decision help California address its affordable housing crisis?



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
Nancee Robles

August 15, 2022

Vernell Hill  
Service First of Northern California  
102 W. Bianchi Road  
Stockton, CA 95207

Email: [vhill@servicefirstnc.org](mailto:vhill@servicefirstnc.org)  
[chris@centralvalleycoalition.com](mailto:chris@centralvalleycoalition.com)

**RE: CA-22-093 / The Hunter House**

Dear Mr. Hill:

This letter is in response to the 2<sup>nd</sup> appeal letter received on August 8, 2022 of the California Tax Credit Allocation Committee (“CTCAC”) point reduction and disqualification of the above referenced project. CTCAC staff reduced the Housing Needs point category by ten (10) points and disqualified the application because the application does not demonstrate that the unsubsidized units that the target population will not experience rent overburden, meaning the targeted rent is more than 30% of the target population’s income, as supported by the market study.

The 2<sup>nd</sup> appeal letter included the letter with attachments from the market analyst Mary Ellen Shay submitted with the previous appeal. You also explain that Central Valley Low Income Housing Corporation (“Central Valley”) committed to providing tenant-based subsidies and rent support for the residents of the project. The appeal letter pointed to additional clarification provided by Central Valley stating that the tenant-based rental subsidy program pays up to \$992 for one-bedroom units and up to \$1,305 for two-bedroom units so the project will not experience rent overburden.

Following review of the 2<sup>nd</sup> appeal letter, the application, and CTCAC regulations, I find the support letter from Central Valley, which was not provided in the application, referenced rent support amounts for one- and two-bedroom units and described them as tenant-based rental subsidy. CTCAC Regulation Section 10327(f) excludes income generated from tenant-based rental subsidies from “Cash flow after debt service” for determining feasibility. Furthermore, the Central Valley letter does not provide how many units will receive rent support or for how long, and thus not firmly committed

to the project. The application does not demonstrate all of the unsubsidized units will experience rent overburden. As a result, the appeal is not granted.

As previously stated, CTCAC staff determined that the Hunter House application does not qualify to compete under the Nonprofit set aside with the Homeless Assistance priority because the targeted population referenced in the application is not designated for homeless individuals, as defined in CTCAC Regulation Section 10315(b)(1). You summarize in your 2<sup>nd</sup> appeal letter that subsections (1) and (2) are not exclusive of each other and state both can include formerly homeless and at risk of homelessness. The 2<sup>nd</sup> appeal letter requested that staff reconsider the determination.

As stated in the response letter to the previous appeal letter, this determination may not be appealed pursuant to CTCAC Regulation Section 10330(a). With that said, I concur with staff that it is unclear that all of the targeted homeless units identified in the application fall in the category subsection (1) as required by CTCAC Regulation Section 10315(b).

Please feel free to contact Anthony Zeto at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov) should you have any questions or concerns. If you wish to appeal this decision relating to the Housing Needs point reduction or disqualification to the Committee, you may submit a final written appeal, along with a \$500 appeal fee, that must be received by CTCAC no later than 5:00 pm on August 22, 2022. Please address any written appeal to CTCAC's mailing address, and staff will distribute it to the Committee for consideration at the next CTCAC meeting.

Sincerely,



for Nancee Robles  
Executive Director

# **Service First** of Northern California

Vernell Hill, Jr.  
Founder  
Chief Executive Officer

August 22, 2022

California Tax Credit Allocation Committee  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
c/o Nancee.robles@treasurer.ca.gov

VIA EMAIL

**RE: CA-22-011 / The Hunter House Round 2 –  
APPEAL OF CTCAC DETERMINATION DATED AUGUST 15, 2022**

Dear Committee members:

Thank you in advance for your consideration of this further appeal by applicant Service First of Northern California (Service First) for The Hunter House project, a 120-unit, 100% special needs project in Stockton, California, targeting homeless populations (Project).

Service First continues to appeal CTCAC's determinations, most recently received on August 15, 2022, regarding a housing type threshold determination and a point reduction in the Housing Needs category. Service First also seeks relief regarding a set-aside eligibility issue. For reference, our August 8, 2022, appeal documentation is attached.

### Housing Type Requirement and Housing Needs Point Reduction

CTCAC states that the application did not demonstrate that, as a threshold matter, the target population could pay the proposed rents and, therefore, that the application did not meet the housing type requirements in CTCAC Regulation 10325 (g)(3)(C). Correspondingly, CTCAC also reduced points in the Housing Needs category.

CTCAC's analysis of these two points has hinged on feasibility and the ability of the target population to pay the proposed rents. In this series of appeals, Service First has provided evidence, clarification, and explanations as to how the project is feasible and how the target population will not be rent-overburdened. Specifically, the Project will receive tenant-based subsidies, tenant income will include SSI/SPP, and the Project has an operating reserve that will provide for any shortfalls. Also, we have pointed to the comparable Zettie Miller project that was developed with tax credits by the applicant and that is successfully operating in the same market area with an identical operating structure. We believe that this information adequately addresses CTCAC's concerns with rent-overburden.

Additionally, we have pointed out how the market study submitted with Service First's application conforms to the CTCAC Market Study Guidelines. A related fact that seems to have been lost in the mix is that this project is both a special needs project as well as a homeless project and that the rent overburden issue ignores the special needs aspect of the Project and the requirements of the demand analysis.

#### Headquarters

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CTCAC Market Study Guidelines link the CTCAC-approved methodology for demand analysis with income assumptions based on current households and projected growth. See p. 9 of the attached Market Study Guidelines. For special needs individuals, the CTCAC Market Study Guidelines specifically state that analysts should not use the general occupancy or family occupancy model for special needs projects like this Project. See CTCAC Market Study Guidelines at page 11, paragraph D. Therefore, and as required by CTCAC, the demand analysis here follows the CTCAC-approved methodology and only includes lower-income individuals who can pay 40% of their gross rent for units in the proposed project. Thus, all income level requirements for homeless-targeted units imposed by CTCAC are satisfied by the demand analysis, which shows that there is a sufficient population of qualifying individuals who can afford to pay 40% of their gross income for rent who can fully occupy the project without rent overburden.

The lack of a Section 8-like project-based subsidy contract as contemplated by the CTCAC regulations at Section 10327(f) should not prejudice an applicant who has demonstrated that the application is feasible for special needs tenants (a subset of whom are homeless) based on availability of tenant-based vouchers, experience with almost identical project in the same market area, and evidence that there is sufficient market demand of special needs individuals meeting the income levels as specified by the CTCAC Market Study Guidelines.

CTCAC's apparent direction on the feasibility issue/overburden analysis sets dire precedent for special needs and other projects that historically have been able to operate without project-based vouchers by essentially eliminating them from the running if they utilize alternative sources of subsidy and support, even if those alternative sources are established, well-known, and accepted by lenders, investors, and other partners in the industry. Hopefully, this is not CTCAC's intent.

Service First has extensive experience serving individuals with special needs and there is no question that the Stockton area would greatly benefit from a project targeting homeless individuals with special needs, our most vulnerable citizens. This Project is sorely needed and leverages tremendous state and local resources, all committed to the cause. These commitments, combined with Service First's experience, all provide evidence that the Project will be successful.

Based on the above, we ask that CTCAC continue its consideration of our application and that it restore 10 points to the Housing Needs point category.

#### Nonprofit Set Aside

Initially, CTCAC indicated that the Project was not eligible for the nonprofit homeless set aside because the units were being set aside for homeless individuals and for "formerly homeless or individuals at-risk of homelessness." (Aug. 2 Determination at p. 2.) Further, CTCAC said that this issue was not appealable. We appreciate that CTCAC was willing to exercise its discretion and consider this issue outside of the formal appeals process in its August 16, 2022, letter. Service First also appreciates that CTCAC acknowledged that the "formerly homeless and at risk of homelessness" requirement is not the proper standard for analyzing whether an applicant meets the set-aside's definition of homelessness and that such formulation results in ambiguity. CTCAC, however, erred when it concluded that the applicant still did not qualify for the set aside because Service First failed to demonstrate that "all of the targeted homeless units" (emphasis in original) met the set aside requirements.

Again, there appears to be some confusion because the CTCAC regulations do not define "formerly homeless" or "at risk of homelessness," which, as CTCAC acknowledged, resulted in ambiguity in evaluating the application. But CTCAC implicitly maintained that ambiguity when it arbitrarily decided that some of the population for the targeted units fall into the proper definition and some did not. Instead, the ambiguity should be resolved by looking at those aspects of the application that are not ambiguous and there is no ambiguity in the fact that Service First applied for the nonprofit homeless set aside and it was clear from the application that this was the intent.

Given the numerous different standards and definitions of "homeless" used by various agencies, statutes, regulations, and programs, it is understandable that some of the terminology gets blurred. However, Service First's unequivocal intent and desire, which it again reaffirms here, is that this project set aside 50% of its units for homeless households meeting the definition of CTCAC regulations section 10315(b)(1).

Although we argued in our August 2, 2022, letter, that this issue is appealable based on the regulations, we also acknowledged that placement in a particular set aside has historically been subject to CTCAC discretion outside of the appeals process, depending on the circumstances of the particular application. Given CTCAC's response from its August 15 letter, we acknowledge that this aspect of the determination process is being considered outside of the appeals process and we ask that the application be considered in the nonprofit homeless set aside.

#### Conclusion

Service First has demonstrated that the target special needs homeless population will not be rent-overburdened and, therefore, that the threshold housing type is met and that the housing needs points should be restored.

We have also provided the necessary explanations such that the application should be considered in the nonprofit homeless set aside.

Thank you for your consideration.

Sincerely,



Vernell Hill  
CEO  
Service First of Northern California

Encl.

cc: Christina Alley, CEO Central Valley Coalition for Affordable Housing  
Anthony Zeto, CTCAC Deputy Director  
Amanda Kobler, Kobler Development Consulting  
Mary Ellen Shay, M.E. Shay Co.



Vernell Hill, Jr.  
Founder  
Chief Executive Officer

August 8, 2022

Ms. Nancee Robles  
Executive Director  
California Tax Credit Allocation Committee  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
Nancee.robles@treasurer.ca.gov

VIA EMAIL

**RE: CA-22-011 / The Hunter House Round 2 –  
APPEAL OF CTCAC DETERMINATION DATED AUGUST 2, 2022**

Dear Ms. Robles,

Thank you in advance for your consideration of this appeal by applicant Service First of Northern California (Service First) for The Hunter House project, a 120-unit, 100% special needs project in Stockton, California, targeting homeless populations (Project).

On July 19, 2022, Service First received two determinations from CTCAC, both dated July 19, 2022. One of the CTCAC letters was a threshold determination, stating that the application did not demonstrate that the target population could pay the proposed rents and, therefore, the application did not meet the housing type requirements in CTCAC Regulation 10325 (g)(3)(C). That letter also reduced the state credit calculation by excluding \$892,995 from the project cost. The second letter contained determinations regarding (1) point reductions in the Housing Needs and Readiness to Proceed categories and (2) the application's eligibility for the Nonprofit Homeless set-aside.

On August 2, 2022, CTCAC partially granted Service First's appeal but ultimately upheld the agency's decision regarding the housing type threshold determination and the point reduction in the Housing Needs category. This letter further appeals that decision.

#### Housing Type Requirement and Housing Needs Point Reduction

The threshold issue of housing type and the housing need category point reduction rely on the same rationales related to the sufficiency of the market study and the ability of the target population to pay the proposed rents. As stated in our prior appeal, it was our understanding that this issue was resolved prior to submission and we are surprised to see the same issued raised again, ignoring the substantial documentation provided by The Hunter House in the Round 2 application. CTCAC's determinations on these issues now are contrary to the discussions the Hunter House project team had with staff prior to the submittal deadline of June 30, 2022. We believe the market study sufficiently addresses the matter.

#### Headquarters

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We again provide the enclosed letter from Mary Ellen Shay, the market study preparer, and the attachments thereto, documenting some of these discussions, providing evidence of the housing needs, and explaining how the lack of project based operating subsidies does not create rent overburden in light of the past experience of the applicant with a similar project, the realistic expectation of tenant-based vouchers, the availability of SSI/SSP income for this special needs population, and the provision of an operating reserve.

We also believed we had established that the Central Valley Low Income Housing Corp. (Central Valley) had committed to providing tenant-based subsidies for the residents of the Project. Central Valley is a local organization that provides direct homeless housing support for tenants living in properties such as The Hunter House. They refer their enrolled clients as potential tenants to local housing providers then pay rent support checks on behalf of those tenants directly to property owners (similar structure as Section 8).

CTCAC's August 2, 2022, determination acknowledged that the information provided by Service First addressed the rent overburden issue as related to the 15% units. However, CTCAC stated that there was insufficient information about the subsidy amounts being offered by Central Valley to ensure that tenants in the 30% and 40% units would not be rent overburdened. Specifically, CTCAC said it had insufficient information regarding those tenants whose rent would be set at \$621 for one-bedroom units (40% AMI) and \$559 for two-bedroom units (30% AMI).

Central Valley has provided additional clarification regarding its commitment and has provided subsidy amount information in the attached letter, showing that its tenant-based rental subsidy program pays up to \$992 for one-bedroom units and up to \$1,305 for two -bedroom units. This clarification explains why the tenants of the Project will not experience rent overburden.

As CTCAC is aware, Service First has extensive experience serving individuals with special needs and there is no question that the Stockton area would greatly benefit from a project targeting homeless individuals with special needs, our most vulnerable citizens. This Project leverages tremendous state and local resources, all committed to the cause. These commitments, combined with Service First's experience, all provide evidence that the Project will be successful.

Based on the above, we ask that CTCAC continue its consideration of our application and that it restore 10 points to the Housing Needs point category.

#### Nonprofit Set Aside

Citing CTCAC regulation 10315(b)(1) and (b)(2), the CTCAC August 2, 2022, determination also upheld the CTCAC July 26, 2022, decision and concluded that the Project did not qualify for the nonprofit homeless set aside because the 50% of the units were being set aside for homeless individuals and for "formerly homeless or individuals at-risk of homelessness." (Aug. 2 Determination at p. 2.) Further, CTCAC said that this issue was not appealable under Regulation 10330(a).

The provisions in 10315(b)(1) that set forth the qualifications for the set aside require that 50% of the units in the development be targeted for tenants who meet the following qualifications:

(1) Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

(A) Has a primary nighttime residence that is a public or private place not meant for human habitation;

(B) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, and local government programs); or

(C) Is exiting an institution and resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

This definition, however, is not strictly related to individuals and families who are actually and presently homeless. It also includes individuals who were formerly homeless but are now housed in dynamic, irregular, and inadequate situations, or who are living in certain temporary, emergency, or institutional settings. In other words, (b)(1) includes certain individuals and families who are formerly homeless or at risk of homelessness.

Further, individuals and families who were formerly homeless or at risk of homelessness can, but do not necessarily, fit into the provisions of 10315(b)(2), which states:

(2) Individual or family who will imminently lose their primary nighttime residence, provided that:

(A) Residence will be lost within 14 days of the date of application for homeless assistance;

(B) No subsequent residence has been identified; and

(C) The individual or family lacks the resources or support networks needed to obtain other permanent housing.

While individuals and families who meet the requirements in (b)(2) may be formerly homeless and are surely at risk of homelessness, this does not mean individuals and families that are formerly homeless or at risk of homelessness necessarily must fit into (b)(2) since, as we see above, they can also fit into (b)(1). The provisions of (b)(1) and (b)(2) are not exclusive of each other in the sense that we have seen that both can include the formerly homeless and those at risk of homelessness.

Importantly and perhaps the source of the misunderstanding, is that CTCAC regulations do not define "formerly homeless" or "at risk of homelessness." Therefore, CTCAC has erred in using those terms as applied to the actual regulatory requirements under which the application was evaluated. And if there was any ambiguity in what this meant, there certainly wasn't any ambiguity in the fact that Service First applied for the nonprofit homeless set aside and it was clear from the application that this was the intent.

That CTCAC has indicated that this issue not appealable is problematic because the regulations state that issues that appealable are limited to issues of scoring, disqualification, or threshold requirements. (See 10330(a).) This list of appealable issues was drafted to functionally to exclude certain types of appeals related to matters that should not be appealable while ensuring access to appeal for issues related to the eligibility of the application and its competitive scoring evaluation. The issue of eligibility for this particular set aside fits the intent of the regulations as something that should be appealable because it is, essentially a threshold issue and because the impact of this determination does have to do with eligibility, scoring, and competitive evaluation in the sense that participation in the appropriate set aside directly affects these aspects of the application. Therefore, we request that CTCAC reconsider its determination on this issue.

We also note that placement in a particular set aside has historically been subject to CTCAC discretion, depending on the circumstances of the particular application, and CTCAC could choose to exercise its discretion to place any particular application in the appropriate set aside here outside of the appeals process. Since, however, this issue was raised in a disqualification letter (which is appealable), it appeared that the appropriate channel in which to challenge CTCAC's misinterpretation on this point would be through the correspondence related to the appeal. If there is some other channel that CTCAC feels would be appropriate, we ask that you deem our conversations on that point to have occurred in that fashion and request guidance on how to continue it outside of the appeals process.

### Conclusion

Service First has demonstrated that the 30% AMI and 40% AMI units will not experience rent overburden. Therefore, the application meets the housing type requirement necessary to continue consideration of the application and the points in the Housing Need category should be restored.

Also, CTCAC erroneously determined that the Project did not qualify for the set aside because it incorrectly construed the terms "formerly homeless" and "at risk of homelessness" in the context of its regulations, which regulations do not define either term. And there should be some available relief in this situation, whether through the appeals process because the issue meets the intent of the regulations for appealable issues or through other discretionary or administrative action, because the target population simply did not, by definition, fail to meet the requirements of 10315(b)(1) and does not, by definition, necessarily fall into 10315(b)(2) as CTCAC concluded.

Service First has provided sufficient information in its application to meet the regulatory requirements for the set aside and we as that it be considered under the nonprofit homeless set aside as stated in the application.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Vernell Hill, Jr.", written over a horizontal line.

Vernell Hill, Jr.  
CEO  
Service First of Northern California

Encl.

cc: Christina Alley, Central Valley Coalition for Affordable Housing  
Anthony Zeto, CTCAC Deputy Director  
Amanda Kobler, Kobler Development Consulting  
Mary Ellen Shay, M.E. Shay Co.



**Central Valley Low Income Housing Corp.**

July 25, 2022

Nancee Robles  
California Tax Credit Allocation Committee  
915 Capitol Mall #485  
Sacramento, CA 95814

**Revised/clarification**

Central Valley Low Income Housing Corp. (CVLIHC) supports the creation of 120 new units of affordable housing in the Stockton area through the proposed Hunter House project by Service First.

Funding for Hunter Housing through the California Tax Credit Allocation Committee will be a critical step in bringing this affordable housing project to reality. Rental units available to low and very low-income residents in the Stockton area are increasingly difficult to find in the past several years. New units of affordable housing are needed to meet the needs of low-income residents, especially those who are homeless. The location of the Hunter Housing project, near to the Stockton downtown core, will provide residents services and community amenities that they need, including easy access to public transportation.

CVLIHC's core mission is to provide rental assistance and support services to homeless and chronically homeless households as defined in CTCAC regulation Section 10315 (b), (1). This project has committed to making units available to clients who receive rent support through our programs. Rent support made by CVLIHC in our tenant-based rental assistance program, can pay up \$992.00 for a one-bedroom unit and \$1,305.00 for a two bed-room unit, on behalf of clients actively enrolled in one of our homeless housing support projects will be made by check, monthly, directly to the owner or designated property manager of the project on behalf of each enrolled household. This allows our clients, who are very low or extremely low income, to end their homelessness by obtaining affordable, safe, decent housing.

This partnership is a critical part of our community's overall effort to provide housing for the more than 2,000 persons who are homeless on any given night in San Joaquin County.

Thank you for your consideration and support for this important affordable housing project.

Jonathan Mendelson  
Executive Director, Central Valley Low Income Housing Corp.

Location: 2431 W. March Lane, Ste. 350; Stockton, CA 95207 — Mailing: P.O. Box 4732; Stockton, CA 95204-0732  
Website: [www.cvlh.org](http://www.cvlh.org); Phone: 209-472-7200; Fax: 209-954-9548; Email: [contact@cvlh.org](mailto:contact@cvlh.org)



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## M.E. Shay & Co.

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Web Site: [www.meshayco.com](http://www.meshayco.com)

July 24, 2025

Ms. Nancee Robles, Executive Director  
California Tax Credit Allocation Committee  
915 Capitol Mall  
Sacramento, CA 95814

Re: CA-22-093 - The Hunter House


Dear Ms. Robles:

I am writing regarding the recent disqualification of The Hunter House by Timothy Handy, Development Program Manager, over the ability of one segment of the target market to pay rent at the AMI levels identified in the application. I believe this is a simple mis-communication between TCAC staff, since we have made extensive revisions, vetted by other TCAC staff, but NOT including Mr. Handy, addressing this issue. We believe that once Mr. Handy is made aware of this extensive communication between TCAC staff, Vernell Hill, and myself, he will rescind this disqualification. (I have attached related emails to this letter.)

I have also attached a copy of my in-person appeal to the Tax Credit Committee, which was heard by TCAC staff. During the conversation at that time, we agreed to work with Anthony Zeto and others to revise the market study demand analysis to address their concerns, and we believe that we have done so convincingly.

I would like to point out one other aspect of that testimony – which is the fact that upholding this disqualification on this very small technical point of rent overburden for one segment of the target population will result in the loss of 120 units of FULLY FUNDED affordable housing units in the city of Stockton. Where is the equity in denying this appeal on a point that we have completely refuted compared to the development of new housing for Stockton's low-income population? How does this aid in the reduction of homelessness? How does this decision add to the development of desperately needed affordable housing stock? The answer, of course, is that there is no equity here, and The Hunter House application should be reinstated for consideration. It is the only fair thing to do.

Thanks for your consideration.

  
Mary Ellen Shay  
M. E. Shay & Co.



Mary Ellen Shay <meshayco@gmail.com>

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## FW: The Hunter House

4 messages

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Vernell Hill <vhill@servicefirstnc.org>

Fri, Jun 17, 2022 at 9:33 AM

To: Mary Ellen Shay <meshayco@gmail.com>, Amanda Kobler <amanda@phasedeux.com>, Lisa Motoyama <lisa@communityeconomics.org>

Deadline for 2<sup>nd</sup> round is June 30, 2022.

Vernell

**From:** Zeto, Anthony <Anthony.ZETO@treasurer.ca.gov>

**Sent:** Friday, June 17, 2022 8:18 AM

**To:** Vernell Hill <vhill@servicefirstnc.org>

**Subject:** RE: The Hunter House

Hi Vernell,

The deadline for the 2<sup>nd</sup> round is June 30, 2022. With regard to the item related to the appeal, please make sure the market study addresses the rent overburden so it is clear how the residents will be able to pay the rents at the targeted levels. Also, in your appeal, you stated that the demand analysis included renters at risk of homelessness. I would suggest the market study specifically call that out so it is clear that the possible tenant population includes renters at risk of homelessness. If Mary Ellen has additional questions, please have her contact me.

Please also be aware that the project did not receive the full General Partner Experience points. While points were restored in the Service Amenities point category, I would recommend reviewing that section to clarify the items where points were initially reduced.

Thank you.

Anthony Zeto

Deputy Executive Director | CTCAC

(916) 654-9854 | azeto@treasurer.ca.gov

**From:** Vernell Hill <vhill@servicefirstnc.org>

**Sent:** Friday, June 17, 2022 7:49 AM

**To:** Zeto, Anthony <Anthony.ZETO@treasurer.ca.gov>

**Subject:** The Hunter House

CAUTION: EXTERNAL MAIL Do not click on links or open attachments unless you trust the sender and know the content is safe.

Anthony,

What is the deadline for the second round of tax credits. Also can you provide direction related to our appeal issues, so we can address them in our application and market study?

Thanks

Vernell

---

Lisa Motoyama <lisa@communityeconomics.org>

Fri, Jun 17, 2022 at 10:16 AM

To: Vernell Hill <vhill@servicefirstnc.org>, Mary Ellen Shay <meshayco@gmail.com>, Amanda Kobler <amanda@phasedeux.com>

Hi Vernell,

Will you be able to get a new market study and redoing the back up for your GP experience in time to submit by 6/30?  
Best, Lisa

Community Economics is looking for new team members. Join us!

Lisa Motoyama

Community Economics

510.832.8300, extension 4 – forwards to my cellphone while working remotely

Pronouns: she/her/hers

*Please note that CEI will closed the week of July 11<sup>th</sup> to appreciate the work of staff and their accomplishments.*

[Quoted text hidden]

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Amanda Kobler <amanda@phasedeux.com>

Fri, Jun 17, 2022 at 10:20 AM

To: Lisa Motoyama <lisa@communityeconomics.org>

Cc: Vernell Hill <vhill@servicefirstnc.org>, Mary Ellen Shay <meshayco@gmail.com>

I think the bigger concern is can we get a CPA cert for an additional project by the 30th to get full GP points?



Mary Ellen Shay <meshayco@gmail.com>

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## Hunter House Demand Analysis - Homeless and At-risk of Homelessness

4 messages

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Mary Ellen Shay <meshayco@gmail.com>

Mon, Jun 27, 2022 at 3:41 PM

To: gabrielle.stevenson@treasurer.ca.gov, Vernell Hill <vhill@servicefirstnc.org>, Amanda Kobler <amanda@phasedeux.com>

Dear Ms Stevenson:

I have attached those pages of the market study for Hunter House that pertain directly to homeless and at-risk of homelessness for your review.

I believe the homeless counts that have been conducted in Stockton (over 2,600 in 2019 and 2020) are based on the definition provided in your email, so the count is not overly broad.

We have also provided information requested by Mr. Zeto regarding households at-risk of homelessness.


We have used our standard methodology to determine need at the higher income levels.

Please let me know as soon as possible if this analysis is acceptable.

Thank you,

Mary Ellen Shay

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Mary Ellen Shay  
916 444 0288 office  
916 799 0119 cell

 **Hunter House Homeless Demand Analysis.pdf**  
1545K

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**Stevenson, Gabrielle** <Gabrielle.Stevenson@treasurer.ca.gov>

Mon, Jun 27, 2022 at 4:24 PM

To: Mary Ellen Shay <meshayco@gmail.com>, Vernell Hill <vhill@servicefirstnc.org>, Amanda Kobler <amanda@phasedeux.com>

Cc: "Zeto, Anthony" <Anthony.ZETO@treasurer.ca.gov>

Hi Mary Ellen-

Let me look this over with the team and respond to you as quickly as possible. Thank you.

Gabrielle Stevenson

Section Chief, Development | California Tax Credit Allocation Committee

CA State Treasurer's Office

(916) 651-7707, desk | (916) 539-4726, mobile

[gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov)

**From:** Mary Ellen Shay <meshayco@gmail.com>  
**Sent:** Monday, June 27, 2022 3:42 PM  
**To:** Stevenson, Gabrielle <Gabrielle.Stevenson@treasurer.ca.gov>; Vernell Hill <vhill@servicefirstnc.org>; Amanda Kobler <amanda@phasedeux.com>  
**Subject:** Hunter House Demand Analysis - Homeless and At-risk of Homelessness

CAUTION: EXTERNAL MAIL Do not click on links or open attachments unless you trust the sender and know the content is safe.

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**Zeto, Anthony** <Anthony.ZETO@treasurer.ca.gov> Tue, Jun 28, 2022 at 9:40 AM  
To: "Stevenson, Gabrielle" <Gabrielle.Stevenson@treasurer.ca.gov>, Mary Ellen Shay <meshayco@gmail.com>, Vernell Hill <vhill@servicefirstnc.org>, Amanda Kobler <amanda@phasedeux.com>

Hi Mary Ellen,

While it is being reviewed by staff, it was also observed that in the market study that the project reach stabilized occupancy in 10-12 months. Per the regulation section below, the project must reach stabilized occupancy within 6 months.

(iv) The demand for the proposed project's units must appear strong enough to reach stabilized occupancy – 90% occupancy for Special Needs projects and 95% for all other projects – within six months of being placed in service for projects of 150 units or less, and within 12 months for projects of more than 150 units and senior projects.

With regard to the at risk of homelessness, we wanted to clarify that the population used in the demand analysis include those prospective residents that fall under subsection (1) of the homeless assistance priority as shown below:

1. Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
  - A. Has a primary nighttime residence that is a public or private place not meant for human habitation;
  - B. Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, and local government programs); or
  - C. Is exiting an institution and resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

In order to qualify for the homeless assistance priority in the Nonprofit set aside, at least 50% of the Low Income Units need to be designated for the population above.

We are still reviewing what you sent us yesterday but wanted to at least provide you those comments.

Thank you.

Anthony Zeto

Deputy Executive Director | CTCAC

(916) 654-9854 | [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov)

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[meshayco@gmail.com](mailto:meshayco@gmail.com) <[meshayco@gmail.com](mailto:meshayco@gmail.com)>

Tue, Jun 28, 2022 at 10:25 AM

To: "Zeto, Anthony" <[Anthony.ZETO@treasurer.ca.gov](mailto:Anthony.ZETO@treasurer.ca.gov)>

Cc: "Stevenson, Gabrielle" <[Gabrielle.Stevenson@treasurer.ca.gov](mailto:Gabrielle.Stevenson@treasurer.ca.gov)>, Vernell Hill <[vhill@servicefirstnc.org](mailto:vhill@servicefirstnc.org)>, Amanda Kobler <[amanda@phasedeux.com](mailto:amanda@phasedeux.com)>

I did revise the absorption schedule. Will send it to you later. Thanks. Mary Ellen

Sent from my iPhone

On Jun 28, 2022, at 9:40 AM, Zeto, Anthony <[Anthony.ZETO@treasurer.ca.gov](mailto:Anthony.ZETO@treasurer.ca.gov)> wrote:

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CA-22-011 / The Hunter House – APPEAL of June 6, 2022 CTCAC Determination

This appeal is presented on behalf of The Hunter House, a 120-unit, 100% special needs project. The project is fully funded except for the TCAC allocation, and does NOT rely on subsidies for financial feasibility.

Surprisingly, TCAC has used the fact that the project does NOT have project-based subsidies, as the basis for the funding denial. The rationale is that the market study does not demonstrate that 1) there is a need for homeless assistance and 2) the identified special needs population can pay the proposed rent at the 15%, 30%, 40%, 50%, 55% and 60% AMI levels, BECAUSE THERE IS NO RENTAL SUBSIDY AT THE PROJECT.

In all three appeals, staff failed to explain why the needs analysis was insufficient, nor did they offer an alternative methodology to be employed. In fact, need was clearly shown at all AMI levels, with detailed information on the target population in the Primary Market Area. These numbers are based on an analysis of five factors: number of households tabulated by household income, household size, household tenure and household age. These are the best data available in estimating need and demand for The Hunter House. Information on income levels of the homeless only simply DOES NOT EXIST.

This methodology has been used and accepted for years in determining need for special needs projects and is only called into question because the very lowest income category, 15%, does not have a project based subsidy attached to it. Instead of acknowledging a funding stack that does not require project based vouchers for feasibility, TCAC turns this argument on its head, and says that without a subsidy, the lowest-income applicants will be rent overburdened, and should not be forced to overpay for this housing.

In Service First's several appeals, they also point out their many years of successful experience in serving the target population. The actual experience at Zettie Miller is by far the most valuable and accurate source of information about the feasibility of the project. No matter how recent the demographic estimates are, the live, real time performance at Zettie Miller is data that cannot be refuted, and is certainly much more reliable than the sparse and dated homeless information.

Several support letters are included in the appeals, and the specific success of the Zettie Miller project in Stockton is cited. At Zettie Miller, tenant outreach was extended the moment the project was approved, and the project had a long list of income-eligible tenants ready to move in on day one. This project also DOES NOT HAVE SUBSIDIES, but it is 100% full, with a lengthy waiting list. The residents include households using the Housing Authority's Housing Choice Voucher program, California's SSI/SSP program, and individual tenant incomes.

By our calculations, single persons receiving full SSI benefits (\$841/mo) would actually pay slightly more than the proposed 15% AMI 1BR rent where they pay 30% of income (\$252 vs 208). Couples receiving \$1,261 in SSI benefits would be paying \$378 for 2BR units, compared to the proposed \$249. There is obviously no evidence of rent overburden in these scenarios.

In essence, the solution to preventing (the unproven) rent overburden, as proposed by TCAC, is to deny the project appeal, return the other financial commitments, and leave the 120 potential tenants without a new housing resource.

How does this aid in the reduction of homelessness? How does denying this project add to number of affordable housing resources? How does this decision help California address its affordable housing crisis?



August 22, 2022

California Tax Credit Allocation Committee  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
c/o Nancee.robles@treasurer.ca.gov

VIA EMAIL

**RE: CA-22-011 / The Hunter House Round 2 –  
APPEAL OF CTCAC DETERMINATION DATED AUGUST 15, 2022**

Dear Committee members:

Thank you in advance for your consideration of this further appeal by applicant Service First of Northern California (Service First) for The Hunter House project, a 120-unit, 100% special needs project in Stockton, California, targeting homeless populations (Project).

Service First continues to appeal CTCAC's determinations, most recently received on August 15, 2022, regarding a housing type threshold determination and a point reduction in the Housing Needs category. Service First also seeks relief regarding a set-aside eligibility issue.

Housing Type Requirement and Housing Needs Point Reduction

CTCAC states that the application did not demonstrate that, as a threshold matter, the target population could pay the proposed rents and, therefore, that the application did not meet the housing type requirements in CTCAC Regulation 10325 (g)(3)(C). Correspondingly, CTCAC also reduced points in the Housing Needs category.

CTCAC's analysis of these two points has hinged on feasibility and the ability of the target population to pay the proposed rents. In this series of appeals, Service First has provided evidence, clarification, and explanations as to how the project is feasible and how the target population will not be rent-overburdened. Specifically, the Project will receive tenant-based subsidies, tenant income will include SSI/SSP, and the Project has an operating reserve that will provide for any shortfalls. Also, we have pointed to the comparable Zettie Miller's Haven project that was developed with tax credits by the applicant and that is successfully operating in the same market area with an identical operating structure. We believe that this information adequately addresses CTCAC's concerns with rent-overburden.

Additionally, we have pointed out how the market study submitted with Service First's application conforms to the CTCAC Market Study Guidelines. A related fact that seems to have been lost in the mix is that this project is both a special needs project as well as a homeless project and that the rent overburden issue ignores the special needs aspect of the Project and the requirements of the demand analysis.



## 2019 & 2020 JOINT MARKET STUDY GUIDELINES

### GENERAL – WHAT EACH APPLICANT MUST SUBMIT:

These market study guidelines apply to all applicants seeking tax-exempt bond authority from the California Debt Limit Allocation Committee and/or Housing Tax Credit from the California Tax Credit Allocation Committee under California's Low Income Housing Tax Credit program, irrespective of project size, location, and whether the applicant is seeking competitive 9% credit, or credit used in conjunction with tax exempt financing. All market studies must be prepared within 180 days of the filing deadline by an independent third party and must be at the expense of the developer. A market study submitted with an application must be updated if 180 days have passed between the earliest site inspection date of the subject property or comparable properties and the application filing deadline, or if proposed subject project rents change by more than 5% or the distribution of higher rents increases by more than 5%. An updated market study will not be accepted when more than 12 months have passed between the earliest listed site inspection date of either the subject property or any comparable property and the application filing deadline. In such cases, applicants must provide a new market study.

An updated market study must include updates to the following sections as applicable: the executive summary, project description, delineation of market area, market area economy, population, household, income trends, rent comparables, and absorption rate. The demand estimate (capture rate and penetration rate) must be updated when new rent comparables affect demand at the proposed project. If the demand estimate remains unchanged, the update must indicate that this analysis was performed. The market study matrices must be updated if the proposed rents in the application change by any amount.

### All market studies must include a letter, signed by the market analyst, certifying the following:

- 1) The date the report was prepared.
- 2) The date of the site inspection.
- 3) The name and phone number of the analyst who prepared and certified the study.
- 4) A statement that there exists no identity of interest between the analyst and the entity for which the report is prepared, the applicant or its principals (general partners, members, etc.).
- 5) A statement that recommendations and conclusions are based solely on the professional opinion and best efforts of the analyst.
- 6) Include the number of years the analyst has had experience with multifamily rental housing.
- 7) Include the number of market studies the analyst has prepared in the project's PMA
- 8) Include the number of times, approximately, the analyst has done a physical inspection in the project's PMA.
- 9) A completed Market Study Index (attached separately).

The market study must address **all** of the items listed below and must demonstrate sufficient demand in the market area to support the proposed housing. Each study must provide up-to-date demographic information from a clearly identified source. Additionally, each study must also include an **analysis** of such data, identifying assumptions, estimates, and projections, used in the analysis.

Recommendations should, of course, be based on market conditions, and not simply build a case in support of the developer's proposal.

The market study must address, in separate subsections, each housing type and specific population to be served by the development. For example, if a development is intended to be partially Special Needs and partially Large Family, separate subsections of the study must address the population/household trends, the demand estimate and absorption rate for each of these population types. Similarly, if a development is intended to be partially market rate and partially affordable, different subsections should address the population/household trends, household income distribution, demand and absorption rate, etc. for both the market rate units and the affordable units.

### **Alternate Market Study Requirements for Acquisition/Rehabilitation Projects Meeting the Follow Criteria**

Acquisition/Rehabilitation projects subject to an existing federal, state, or local public entity regulatory agreement or a federal, state, or local operating or rental assistance agreement may provide, as an alternative market study format, the following:

- A written statement certified by a third party market analyst that the project meets the following requirements:
  1. The proposed tenant-paid rent and income targeting levels will not exceed 105% of the current rents. The proposed rent and income targeting levels for units subject to a continuing state or federal project-based rental assistance contract may increase more. Proposed rent and income targeting levels for resyndication projects must be consistent with TCAC Regulation Section 10325(f)(11) or Section 10326(g)(8).

CDLAC ALTERNATIVE: as evidenced by copies of executed contracts, the project has been receiving federal, state, or local operating or rental assistance and will continue to receive such assistance for at least 5 additional years. If a contract demonstrating operating or rental assistance for an additional 5 years is not available, a letter signed by the contractor's senior official may be submitted that describes the efforts undertaken to effectuate an operating or rental assistance contract, the expected duration of the contract and the expected contract execution date.

2. The project will have a vacancy rate of no more than five percent 5% (for special needs units and non-special needs SRO units without a significant project-based public rental subsidy, a vacancy rate of no more than ten percent 10%).

For tax-exempt bond authority projects, Sections I through V and Section VIII of these Market Study Guidelines will be used by CDLAC staff when evaluating the minimum requirement that restricted rents must be at least ten percent below market rents.

### **Hybrid Projects**

A new construction hybrid 9% and 4% tax credit development may combine information for both component projects into one report and, if not, shall reflect the other component project as a development in the planning or construction stages.

## I. EXECUTIVE SUMMARY AND CONCLUSIONS

Each market study must include a concise summary of the data, analysis and conclusions, including the following:

- A. A concise description of the site and adjacent parcels, particularly neighborhood housing. The description must include the project's name, street address (if available), city, county, zip code and census tract number.
  - 1. For acquisition and/or rehabilitation projects with one pre-existing project-based Section 8 contract in effect for all the sites, there is no limit on the number or proximity of sites.
  - 2. For acquisition and/or rehabilitation projects with any of the following: (A) existing federal or state rental assistance or operating subsidies, where there are multiple existing individual contracts for the different sites (B) an existing CTCAC Regulatory Agreement, or (C) an existing regulatory agreement with a federal, state, or local public entity, state that the number of sites is no more than five, and that all sites are either within the boundaries of the same city, within a 10-mile diameter circle in the same county, or within the same county if no location is within a city having a population of five-hundred thousand (500,000) or more.
  - 3. For new construction projects and all other acquisition and/or rehabilitation projects, state that the number of sites are no more than five, and that all sites are within a 1 mile diameter circle within the same county. For projects with both new construction and rehabilitation, the 1 mile diameter requirement applies to all sites and is not limited to sites containing new construction.
  - 4. For CDLAC projects, all sites must be financed through a single pooled bond transaction.

For projects with both new construction and rehabilitation, the site limit established above applies to all sites; rehabilitation site limits and new construction site limits are not additive.

- B. A brief summary of the project including the type of construction (new or rehabilitation), number of buildings, number and type of units, proposed rents and population served.
- C. A brief description of the market area, including a map delineating the market area.
- D. A precise statement of the analyst's opinion of Market Feasibility including the prospect for long-term performance of the property given housing, demographic trends and economic factors. The statement must include an estimate of the demand for each unit type in the expected year of market entry.
- E. A summary of market related strengths and/or weakness which may influence the subject development's marketability, including but not limited to, compatibility with surrounding uses, the appropriateness of the subject property's location, unit sizes and configuration, and number of units.
  - 1. Address whether or not the service amenities, on-site amenities, off-site amenities and their distance from the project are appropriate and sufficient for the market and the intended tenants. Include, if any, additional amenities that are available to tenants at an additional cost.

2. Any site nuisances that have or may impact marketability of the project. Address whether the location's neighborhood characteristics and/or surrounding land uses attract or deter renters from moving to the site.
  3. Address physical barriers (i.e., railroad tracks, freeway, rivers, mountains, etc.), if any, and the affect on project marketability.
  4. Identify if there are single-family homes available for equal or less rent that could affect the marketability of these units.
- F. A summary of the rent comparables, including their distance from the project, population served, number of units by bedroom size, rent by unit size, service and on-site amenities.
1. When making age or physical adjustments, the Market Analyst should physically walk the project, and speak to the management company to take into account the project maintenance, and/or the rehab/unit updating that has occurred on an on-going basis over the years, or if it was a project-wide rehabilitation. A detailed narrative of the visit and findings, and contact information of the management company and the person whom the Analyst walked the property with, and gathered project site information from should also be included.
- G. A summary of the existing and planned affordable housing developments in the market area including names, type of affordable project, whether existing or planned, distance from the proposed development, population served, number of units by bedroom size, rent by unit size and the service and site amenities.
1. Include risks involved with competitive properties that may be ready to come online, be completed and/or available within six months before or after the subject property.
  2. Address declining population in PMA due to unusual conditions, businesses closing, etc.
- H. A precise statement of key conclusions reached by the analyst, supported by the data contained in the market study. These conclusions must include:
1. A summary of positive and negative attributes and issues that will affect the property's performance and lease-up, points that will mitigate or reduce any negative attributes, and any recommendations and/or suggested modifications to the proposed project.
  2. An evaluation of the proposed development, given the target population and market conditions. This evaluation should include market justification for the proposed development, including the proposed rents by unit and population type, estimated absorption rate, and should further evaluate the proposed unit, development, and locational amenities given the market.
  3. An objective review of past, present, and future demographic and economic trends in the defined market area and include an estimate of how the proposed development will be integrated into the market area based on existing rental comparables and anticipated pipeline additions to the rental base.

## II. PROJECT DESCRIPTION

The market study must include a project description to show the analyst's understanding of the project at the point in time the market study is undertaken. The project description must include:

- A. Sponsor's name and the Development's Location (**including color photos**). A detailed description of the location including closest streets, number of acres, and a map indicating site configuration and contiguous land use and zoning.
- B. Scattered Site Project. A project in which the parcels of land are not contiguous except for the interposition of a road, street, stream or similar property.
  1. For acquisition and/or rehabilitation projects with one pre-existing project-based Section 8 contract in effect for all the sites, there shall be no limit on the number or proximity of sites.
  2. For acquisition and/or rehabilitation projects with any of the following: (A) existing federal or state rental assistance or operating subsidies, where there are multiple existing individual contracts for the different sites (B) an existing CTCAC Regulatory Agreement, or (C) an existing regulatory agreement with a federal, state, or local public entity, the number of sites shall be limited to five, unless the Executive Director approves a higher number, and all sites shall be either within the boundaries of the same city, within a 10-mile diameter circle in the same county, or within the same county if no location is within a city having a population of five-hundred thousand (500,000) or more.
  3. For new construction projects and all other acquisition and/or rehabilitation projects, the number of sites shall be limited to five, and all sites shall be within a 1 mile diameter circle within the same county. For projects with both new construction and rehabilitation, the 1 mile diameter requirement applies to all sites and is not limited to sites containing new construction.
  4. For CDLAC projects, all sites must be financed through a single pooled bond transaction.

For projects with both new construction and rehabilitation, the site limit established above applies to all sites; rehabilitation site limits and new construction site limits are not additive.

- C. Total proposed project units and total tax credit units by: number of bedrooms and baths, income limit as a percent of Area Median Income (AMI), unit size in square feet, proposed rents, including income restrictions, proposed housing assistance and any special needs set-asides.
- D. Address the tenant paid utility schedule and source of that schedule, as well as the utilities expected to be paid by tenants and energy sources for tenant paid hot water, heat and cooking.
- E. Description of the project's Target Population and occupancy type (family, elderly, special needs, etc.).
- F. Whether the project will be a new construction, acquisition and/or rehabilitation.
- G. Developer's projected dates for construction start and completion, and start of pre-leasing.

- H. Description of: the number of buildings, design (walk-up, elevator, etc.), and number of stories, unit and common amenities, site amenities and parking.
1. For rehabilitation or demolition of occupied housing proposals, current occupancy levels, operating expenses and rents being charged, identification of any existing assisted housing program at the property such as Section 8, Section 202, Section 811, BMIR, Section 236, etc., and tenant incomes.
  2. The status or date of architectural plans and name of the architect should be referenced.
  3. A copy of the floor plans and elevations should be included as an appendix to the report.

### III. DELINEATION OF MARKET AREA

Identify and define the geographic market area from which potential renters are expected to come. This section shall include the following:

- A. Definitions of the Primary (PMA) and Secondary (SMA) Market Areas (including a map which clearly delineates the areas) and an explanation of the basis for the boundaries of the PMA and SMA.
1. Provide a written narrative detailing the rationale for the suggested PMA. This narrative should address any specific issues with the market area including the exclusion of nearby areas or justification for geographically large market areas.
    - a) The rationale should take into account demographic and socio-economic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions.
  2. Identification of the PMA and SMA boundaries by census tracts or blocks, jurisdictions, street names, or other geography forming the boundaries.
  3. Also define the larger geographic area in which the PMA is located (i.e. city, county, MSA, etc.). When inclusion of the SMA is unnecessary to demonstrate demand, identify the SMA and provide an explanation as to why it is unnecessary.
  4. For rural projects, the defined PMA shall consider the relative draw of a town in comparison to its neighboring towns or cities. A rural PMA should not consist of large whole census tracts, except in rare circumstances, and should never include significantly larger more populous towns unless the analyst can provide evidence that the tenants will migrate to the subject location from the larger towns.
  5. Avoid overlapping markets. A market area too large will overstate demand for a proposed development. A market area that is too small may either understate demand by understating the number of potential, income qualified residents or overstate demand by excluding competitive existing or planned projects that are just outside the defined market area.
- B. A scaled for distance map of the suggested market area that identifies the proposed development, the comparable rental developments, and location amenities, including but not

limited to the closest transportation linkages, shopping, schools, medical services, public transportation, and other services such as libraries, community centers, banks, etc. In situations where it is not feasible to show all the amenity categories on a map, the categories, including their distance, may be addressed in the narrative.

- C. Description of the site characteristics including its size, shape, general topography and vegetation and proximity to adverse conditions.
- D. Photographs of the site and neighborhood.
- E. Description and evaluation of the visibility and accessibility of the site.
- F. Information or statistics on crime in the Primary Market Area relative to data for the overall area. Address any local perceptions of crime or problems in the Primary Market Area.

#### **IV. MARKET AREA ECONOMY**

For all proposals except elderly, provide data and analysis on the employment and economy of the PMA to give an understanding of the overall economic health of the PMA. List sources for the data and methodology for the analysis.

- A. Provide a description of employment by industry sector (numbers and percentages) for the PMA or smallest geographic area available that includes the PMA and compare the data to the larger geographic area, e.g. the city, county, labor market area, or MSA.
- B. List major employers in the PMA, the type of business and the number employed and compare the data to the larger geographic area (i.e. MSA, County, Secondary Market Area, etc.). Outline any anticipated expansions, contractions in their workforces, as well as newly planned employers and their impact on employment in the PMA.
- C. Show the historical unemployment rate for the last ten years (or other appropriate period) for the PMA and compare to the larger geographic area (i.e. MSA, County, Secondary Market Area, etc.). Provide total workforce figures and number and percentage unemployed.
- D. Show employment growth over the same period or a more recent, shorter period (last 5 years). Compare to the larger geographic area and to PMA household growth.
- E. Comment on trends for employment in the PMA in relation to the subject.
- F. If relevant, comment on the availability of affordable housing for employees of businesses and industries that draw from the PMA.
- G. Provide a breakdown of typical or mean wages by occupation.
- H. Relate the available employment to the project's target population.
- I. When available, provide commuting patterns for workers such as how many workers in the PMA commute from surrounding areas outside the PMA.



## V. POPULATION, HOUSEHOLD AND INCOME TRENDS

Provide the following demographic information for **both** the PMA and the SMA or minor civil division (city, village, township, etc.) in which the proposed project will be located. Projections must be prepared by one of the national proprietary data providers, for example, ESRI, Claritas, etc. U.S. Census data, unless current, is only acceptable as historical data. If the market analyst does not agree with the projections, an explanation of the reasons for the disagreement must be provided, along with substitute projections.

Population and households should be projected to the estimated time of market entry (generally two years from the year of application) and for five years from the year of application. For elderly proposals, data should be based on households that are most likely to need one of three types of senior-restricted housing: independent living ages 65 years plus, congregate care and assisted living ages 75 plus. Indicate the source for all data, provide a methodology for estimates and provide an analysis of trends indicated by the data.

### A. Population Trends:

1. Total Population
2. Population by age group
3. Number of elderly and non-elderly

### B. Household Trends:

1. Total number of households
2. Household by tenure; that is, the number of owner and renter households by elderly and non-elderly
3. Average household size
4. Renter households by number of persons in the household

### C. Income Trends:

1. Estimate of household incomes in \$5,000 or \$10,000 increments, by household size and by tenure. Elderly proposals should reflect the income distribution of elderly households only
2. Provide the reasonable assumptions upon which the income projections are based

## VI. DEMAND ESTIMATE

In calculating demand, the analyst shall use the applicable incomes and rents in the development's tax credit application. The estimated demand must be based upon current households and projected household growth. Assume that market rate households will spend up to 30% of their income for gross rent, and lower income households up to 40% for their gross rent. Demand should be calculated for each proposed rent level and each unit type (e.g., 1 bedroom/1 bath at 50% AMI, etc.). Income qualified households should not be double counted.

- Number of potential income qualified households in the PMA must contain a sufficient number of households who meet the occupancy restrictions of a proposed project, i.e., if a homeless project, only include the homeless population in the number of income qualified households.

Demand calculations may be performed for both the PMA and the SMA. However, only the demand from the PMA will be considered in meeting the requirement of showing adequate demand, unless an estimate of the proportion of renters moving into the PMA from outside of the PMA can be provided based on surveys of initial move-in renters of similar housing type projects. An outline of any survey(s) used to derive this estimate must be included in the Appendix.

Section A-C below is an **example** of a demand analysis. Reliable local sources are preferable to regional sources. *TCAC staff should be able to reconstruct your estimate of demand – step by step. The percentages used are for example only - market studies must use percentages based upon actual market data and/or other reliable sources.*

### A. Demand from Existing Households for a given bedroom size and rent level:

1.	Number of existing households for current year.	40,000
2.	Number of renters.	40,000 x 30% = 12,000
3.	Number of appropriate sized households.	12,000 x 33% = 3,960
4.	Number of income-qualified renter households.	3,960 x 18% = 713
5.	Turnover rate. Turnover rates should be constructed using identified, reliable data sources, and should represent an estimate the percentage of renter households that move in a given year for that tenant type (senior, family, special needs, etc.) in that proposed PMA.	713 x 35% = 249
6.	Estimated annual demand from existing rental households.	249

### B. Demand from New Households:

1.	Estimate the number of new, additional renter households by the time the project enters the market.	200
2.	Estimate the annual growth. This is the number of new households divided by the number of years between the current household number and the market entry number.	200 ÷ 2 = 100
3.	Number of appropriately sized households.	100 x 25% = 25
4.	Number of income-qualified renter households.	25 x 18% = 5
5.	Estimated annual demand from new households.	5

Total annual demand from existing and new renter households: 249 + 5 = 254.

C. Demand from Commuters (Optional – for use when appropriate):

Certain PMAs may show insufficient demand from calculations based on residents, specifically those with a combination of one or more of the following: 1) high-income resident population, 2) high housing costs and 3) a low renter population base (statewide, 43% of all households are renter households).

There are seven counties where these factors are prevalent: Santa Clara, San Mateo, San Francisco, Marin, Contra Costa, Alameda and Santa Cruz. There is anecdotal evidence to support the assertion that low-income housing projects in these counties, and possibly other similar smaller communities throughout California, have a substantial need and demand for low-income housing projects. For family or non-targeted units in these kinds of PMAs, the analyst may choose to include a calculation of demand from households where one or more wage earners live outside the PMA but commute into it for employment purposes. Staff will be the final arbiter regarding the appropriateness of using this demand model for a PMA.

1.	Current Civilian Employment in the PMA. Typically, employment by industry, including average or median wage for that industry, in the PMA. Suggested Sources: EDD, BLS, Commercial Data Providers.	112,500 employees
1A.	Calculate Employment in PMA in Year of Market Entry (Optional). Base employment can be grown for a number of years without the necessity of changing other assumptions.	$112,500 \times 1.03 =$ 115,875 employees
2.	Income Qualifying Employees. Assume that employment wage distribution is approximately normally distributed around the mean or median within each industry.	$115,875 \times 25\% = 28,969$ employees
3.	Income Qualifying Households. Employment must be reduced to households. Use household or family data that shows number of employed persons in households or families in the county or statewide. Suggested sources: Counting California, EDD.	$28,969 \div 1.64 = 17,664$ households ( $\div$ County # or $\div 1.58$ Default for State Average # of Workers per Family)
4.	Income Qualifying Commuter Households. Only commuters with commute distances in excess of 8 miles will be prompted to move closer to a job. The percentage factor used will represent those employed within the PMA who commute more than 8 miles to work. Commute time data can be used instead, with the percentage of workers commuting more than 20 minutes to work used instead. Suggested sources: Commercial Data Providers, Local Transportation Agencies, Local Government Associations.	$17,664 \times 55\% = 9,715$ households

5.	Income Qualifying Commuter Renter Households. Only renters will move into low-income multi-family rental housing. Develop an appropriate renter proportion for the commuting population given the time and distance they commute. Suggested Sources: Employee surveys in the PMA, outlying Secondary Market Area (SMA) renter propensity.	9,715 x 40% = 3,886 households
6.	Size of Qualifying Households. Unless another mix of household sizes can be justified, assume the same mix as used to calculate demand from resident households.	3,886 x 33% = 1,282
7.	Annual Demand from Income Qualifying Commuter Renter Households. There is no relationship between commute distance/time and the likelihood of moving. Develop an appropriate turnover rate for the commuting population given the time and distance they commute. Suggested Sources: Outlying Secondary Market Area (SMA) turnover rate(s).	1,282 x 25% = 320  (25% Conservative Default Turnover Rate)

The market analysis may also include the results of tenant surveys of existing low-income housing projects to support the assertion of demand from commuter households.

**D. Special Needs Projects:**

For projects targeting special needs populations, in cases where target tenant population data is unavailable, demand may be shown through estimated annual referrals of federal, state, local or nonprofit social services agencies that serve the target population within the PMA. This evidence must include certified, written estimates from the appropriate service provider(s) of the annual referrals, and an estimate of the proportion of those referrals the agency believes will meet the project's income qualifications.

Analysts should not use a general occupancy or family occupancy model for special needs projects.

**E. Senior Projects:**

For projects targeting senior populations, demand estimates may be bolstered by evidence showing potential demand from sources not accounted for in subsections A and B of this section. Additional sources of demand for senior units may include the following:

1. Assuming a wider income band due to a higher proportion of income being used for rent. Analysts may assume up to 50% of income for gross rents to determine income bands for all unit sizes and all AMI income targets. Such wider bands may not overlap in order to avoid double-counting/over-counting senior households. Housing choice vouchers arguably further increase the potential income bands, however, voucher rental assistance should not be assumed, and broader income banding based on rental assistance should only be used in cases where the project in question has a project-based rental assistance contract.

2. Age 55-64 households. This source of demand is only appropriate if the applicant (not just the Market Analyst) indicates that the project will specifically target senior households within these age ranges. The project in question must have appropriate amenities, and should be located specifically to attract younger senior households. TCAC will require additional information from applicants who rely on demand from this source to show adequate demand for their project, including but not limited to, evidence of a marketing plan designed specifically to target senior households age 55-64.
3. Home owning seniors moving to rental projects. The additional demand for senior affordable rental units must be shown in a manner similar to that outlined in subsection A of this section:

	Number of existing households for current year.	40,000
	Number of senior homeowner households.	$40,000 \times 30\% = 12,000$
	Number of appropriate sized households.	$12,000 \times 33\% = 3,960$
	Number of income-qualified renter households.	$3,960 \times 18\% = 713$
	Conversion rate. (Using identified, reliable data sources, estimate the percentage of senior homeowner households that move into affordable rental units in a given year.)	$713 \times 5\% = 36$
	Estimated annual demand from existing senior homeowner households.	36

The critical factor in demonstrating this source of demand is a credible conversion rate. Evidence supporting the assumed conversion rate must include lease-up data from other senior projects in similar circumstances, i.e., data from rural affordable projects in California supporting the provided conversion for a rural affordable project, etc. Conversion rates based on aggregate data that does not distinguish between rural, suburban or urban projects, market-rate or affordable projects, or projects in step-up verses step-down markets, will not be accepted.

4. Relocation of seniors living outside the PMA by their adult children living within the PMA. This source of demand is extremely difficult to quantify, however, the Market Analyst may argue for a diminution in the units that must be filled by demand from within the PMA. Evidence supporting the assumed relocation rate must include lease-up data from other senior projects in similar circumstances, i.e., data from rural projects in California supporting the provided relocation rate for a rural project, etc. Relocation rates based on aggregate data that does not distinguish between rural, suburban or urban projects, market-rate or affordable projects, or projects in step-up verses step-down markets, will not be accepted. Using relocation rates as an alternative source of demand for affordable senior projects is most appropriate for projects in more affluent urban and suburban areas.
5. Migration of seniors from outside of the PMA to the project. Similar to the relocation of seniors by adult children living within the PMA, this source of demand is extremely difficult to quantify, however, the Market Analyst may argue for a diminution in the units that must

be filled by demand from within the PMA. Evidence supporting the assumed migration rate must include lease-up data from other senior projects in similar circumstances, i.e., data from rural projects in California supporting the provided migration rate for a rural project, etc. Migration rates based on aggregate data that does not distinguish between rural, suburban or urban projects, market-rate or affordable projects, or projects in step-up versus step-down markets, will not be accepted. Using a migration rates as a source of demand for affordable senior projects is most appropriate for projects in step-up markets.

6. Pent-up demand from seniors living in extended families. Data on the number of seniors living in extended family households is available through the Census, and therefore may be available through many data providers. Analysts must provide sufficient evidence to support any turnover assumptions used to calculate expected demand from seniors living in extended families. This is arguably the most difficult source of additional demand to quantify, and likely only appropriate to certain PMAs.

#### F. Analysis.

For all but Special Needs Projects, the demand analysis must include:

1. A detailed analysis of the income levels of the potential tenants for the proposed units. The analysis must state and provide support for the minimum household income used for total housing expenses to set the lower limit of the targeted household income range.
2. A calculation of annual demand in the projected year of market entry for each unit size and rent level as outlined in A-C above.
3. A calculation of the annual demand, or reduction in units to be filled through PMA demand, as outlined in D-E above.
4. A calculation of the Capture Rate for each Income Limit in the subject property incorporating any other regulatory agency restrictions such as age, income, living in Substandard Conditions, renters versus home owners, household sizes, etc. For rehabilitation projects, the calculated Capture Rate may be based on the estimated number of units that will be normally vacant due to turnover plus the number of units that the existing tenants will be required to vacate for failing to income qualify for a unit, during the year the project is projected to be placed in service.
5. A calculation of the Penetration Rate. For rehabilitation projects, the calculated Penetration Rate may be based on the estimated number of units that will be normally vacant due to turnover plus the number of units that the existing tenants will be required to vacate for failing to income qualify for a unit, during the year the project is projected to be placed in service.
6. A projection of, and explanation for, any future changes in the housing population within the PMA.
7. Identification of risks (i.e. competitive properties which may come on line at the same time as the subject property; declining population in the PMA, etc.), unusual conditions and mitigating circumstances.

8. Documentation and descriptions that show the methodology for calculations in the analysis section and relate the conclusions to the data.

## **VII. ABSORPTION RATE**

The market study should define and justify the Absorption Rate for the subject property. The Absorption Period is considered to start as soon as the first units are released for occupancy. The analysis must provide an estimate of the time required to reach 95% occupancy. The Absorption Rate determination should consider, but is not limited to, such factors as the overall estimate of new household growth, the available supply of competitive units, observed trends in absorption of comparable units, and the availability of subsidies and rent specials. The month leasing is assumed to begin should accompany all absorption estimates.

- SRO and Special Needs must be 90% occupied within six months. If the property is over 150 units, must reach 90% occupancy within one year.
- Large Family projects must be 95% occupied within six months. If the property is over 150 units, must reach 95% occupancy within one year.
- All Senior projects must be 95% occupied within 1 year.

## **VIII. COMPETITIVE RENTAL MARKET**

Provide information on other multifamily rental housing in the Primary Market Area (PMA) and any rental housing proposed to be developed in the PMA. This section of the market study should include:

### **A. Market Rate Comparables:**

1. Identify what market rate developments are currently available to serve the target market in the PMA, and provide sufficient information on existing developments to allow a reviewer who is unfamiliar with the PMA to understand the current market conditions.
2. At least three (3) market-rate rental properties within one mile (or, in the case of projects where market rate rental properties do not exist within one mile, within the PMA) of the subject property, should be included in the market analysis. Projects closest to the subject and projects in similar markets must be included in the analysis, and should be chosen over projects similar in age and amenities but more distant from the project in deriving an achievable market rent. Those more distant projects similar in age and amenities may also be used in conjunction with projects in close proximity to the subject in deriving an achievable market rent.
3. The analysis should include information on all rental developments that can be considered currently available to serve the target population in the PMA as well as planned rental developments in the PMA that could also serve the target population and are expected to be placed in service during the two years following the year of the project's application to TCAC or CDLAC, whichever is the later. The analysis should assess the impact of the proposed development on existing and planned market rate rental housing.

4. A 10-year (or other appropriate period) history of building permits in the PMA, if available, by housing type and comments on building trends in relation to household trends.
5. For rural projects, analyze the availability and cost of purchasing a single-family home and/or mobile home in comparison to paying the subject property rent.
6. For rehabilitation projects, analyze the market rate rents based on market-rate projects that have similar locations, designs and amenities as the current project. Do not assume a substantial increase in quality and achievable market rent post rehabilitation without specifically outlining how the project's quality will increase sufficient to warrant the increase in achievable market rent.

**B. Existing and Planned Affordable Housing Comparables:**

1. Provide a list of existing or planned affordable housing developments in the PMA. Where possible, provide the design type, target population, unit mix and income levels to be served.
2. Assess the impact of the proposed development on existing and planned affordable housing. The analysis should include a consideration of the age of existing affordable units, amenities offered as compared to those proposed at the subject development, and whether there is sufficient market demand (i.e., demand is greater than or equal to projected supply) for the existing affordable housing and the proposed affordable housing.
3. List vacancy rates for each existing tax credit project in the PMA, and if a property's vacancy rate is higher than 10%, provide an explanation and discuss how this may affect the subject property.
4. Provide detailed information on any of the existing tax credit projects observed deficiencies or recent improvements/maintenance, and include information on their waiting lists, if any.

**C. Rent Comparability Matrix:**

A separate rent comparability matrix must be completed for each unit type (SRO, Studio, One-Bedroom, etc.) in a project, for both market rate and affordable housing comparables (i.e., for a project with one-, two- and three-bedroom units, six rent comparability matrices must be completed). The excel version (.xls or .xlsx) of the matrices must be included electronically as well as within the study. Each rent comparability matrix must include three or more comparable projects, within one mile of the subject property, unless the market analyst certifies that fewer than three projects containing the unit type in question exist within the one mile. If using comps outside one mile of the subject property, refer to section VIII, C(2)(d)(i) of these guidelines for further information.

1. The rent comparability matrix must demonstrate that the proposed tenant paid rents for each tax credit and/or tax-exempt bond financed unit type in the proposed development will be at least 10% below the weighted average rent for the same unit types in the comparable market rate rental properties and the unit value ratio (\$/SF)



will be at or below the weighted average unit values for the same unit types in the comparable rental properties.

For tax-exempt bond financed projects subject to an existing regulatory agreement and not proposing tenant paid rents and income targeting to exceed 105% of current and operating with a vacancy rate of no more than 5% (10% for SRO and special needs housing), these projects are exempt from this requirement.

Nine percent special needs rehabilitation projects in which at least 90% of the total units are SRO units are exempt from the value ratio requirement.

2. In areas lacking sufficient three and four bedroom market rate rental comparables, the rent comparability matrix must show that in comparison to three and four bedroom single-family rentals, the tax credit rents and tax exempt bond rents will be at least 20% below rents for these single family homes, and the units value ratio (\$/SF) will be at or below that of single family homes. Alternatively, the rent comparability matrix may utilize two bedroom market rate rental comparables for proposed three bedroom units and three bedroom market rate rental comparables for proposed four bedroom units; the square footage of the market rate units is increased to at least 900 square feet for a three bedroom unit and 1,100 for a four bedroom unit. The market rent "increase" is extrapolated using a \$/SF based on the original rent and square footage.
3. A minimum of three projects used to demonstrate that the subject meets these requirements; must be within one mile of the subject property, unless the market analyst certifies that fewer than three projects containing the unit type in question exist within the one mile. If using comps outside one mile of the subject property, refer to section VIII, C(2)(d)(i) of these guidelines for further information.
4. All of the listed characteristics of the subject project and comparable projects must be addressed. Additional characteristics of a project may be considered but must be justified in the body of the analysis.
5. The rent comparability matrix file (in Excel format) is available on the TCAC and CDLAC websites.

C(1). Instructions for Completing the Rent Comparability Matrix:

- a) Prepare a separate matrix for each low-income unit type (SRO, studio, one-bedroom, etc.).
- b) Note all of the various characteristics of the subject property. Consider only those amenities that are appropriate to ALL of the units of a particular type. For the purposes of meeting the 10% below market rate requirement, use the highest rent units for each of the project's unit types. A square footage range will not be accepted. If the specific square footage of the highest rent unit type is unavailable, the highest rent and smallest square footage in the range for the unit type must be used in the matrix.
- c) Comparable projects should be entered beginning with the closest to the most distant from the project. Note the appropriate characteristics for each of the

comparables. If appropriate, assign a value to the differences in characteristics between the comparable and the subject project.

- (i) if the comparable is inferior to the subject on a particular characteristic, adjust the comparable upward. If the comparable is superior to the subject, adjust the comparable downward. The result should be a determination of what rent the comparable could obtain if it were more similar to the subject. Not all characteristics will affect rents. Make adjustments only for differences in characteristics that would affect the amount of rent tenants in the subject's market area are willing to pay;
- (ii) create different entries for similar unit types with different rents or amenities in a comparable.

C(2). The analysis and text accompanying the rent comparables matrix must:

- a) Include a list of ALL considered properties.
  - (i) address the following: name and address of the project, number of units, name and phone number of the person and/or management company contacted, tenant type (i.e., Senior or Large Family), and where the Analyst gathered the information from, i.e., site visit, website, or another source.
- b) Include color photos of each property.
- c) Include a map identifying the location of each property in relation to the subject
- d) Identify those projects the analyst considers the best comparables, including a narrative as to why these comparables were chosen for the project. Please note: comps that exceed 10% above the Adjusted Rent/Base Rent, must be thoroughly justified and explained (refer to the last row of the Rent Comparability Matrix).
  - (i) when the Market Study Analyst finds it necessary to use comps outside one mile, the analyst must explain why projects with similar unit type and bedroom count within one mile were not used/considered a comp. Additionally, the analyst must submit the following information when using comps outside one mile: Photos of the comp site, photos of the surrounding neighborhood in all four directions, and must provide a narrative comparing and contrasting the comp neighborhood with the subject's neighborhood.
  - (ii) for Senior projects, if the Market Study Analyst finds it necessary to use two (2) or more comps outside one mile, the analyst must provide secondary rent comparability matrices using comparable family projects within one mile with similar unit types as a backup to the Senior comps outside one mile.
- e) Explain in detail why each adjustment was made *and* how the dollar value of the adjustment was derived.
- f) Explain and justify the inclusion of any additional characteristics in the matrix. These additional characteristics should consist of services and amenities. Characteristics that are primarily esthetic in nature should not be included.

- g) Include a tenant profile as well as additional information related to households on a waiting list if the proposed development represents an additional phase of an existing housing development.
- h) Provide the target population, type of design, number of units, unit configuration, rent concessions, rent structure and rent increase or decrease trends for the proceeding three years.
- i) Provide an estimate of the Market Vacancy Rate for the PMA rental housing stock by population served (i.e. market rate, Low Income Housing Tax Credit, and Project Based Rent Assistance) and type of occupancy (i.e. family, seniors, special populations) and unit size.
- j) Provide the estimated date of market entry and any other relevant market analysis information for developments in the planning or construction stages. If there are no developments in the planning stages or under construction, a statement to that effect must be provided.
- k) For rural new construction projects, list any tax credit or other publicly-assisted project housing the same population and is currently under construction within the same market area.
- l) Derive an achievable market rent for the subject property and quantify and discuss Market Advantage, or disadvantage, of the subject and impact on Marketability.

## **IX. APPENDICES**

The Appendices of the analysis shall include:

1. A bibliographical list of the data sources used in the market study.
2. The demographic reports used for the study.
3. A utility allowance schedule.
4. A resume describing the Market Analyst's experience and background, which must be provided with each market study.
5. A copy of the floor plans and elevations.

## APPENDIX A: MARKET STUDY TERMINOLOGY

Terminology	Definition
<b>Absorption Period</b>	The period of time necessary for a newly constructed or renovated property to achieve the Stabilized Level of Occupancy. The Absorption Period begins when the first temporary or permanent certificate of occupancy is issued and ends when the last unit needed to reach the Stabilized Level of Occupancy has a signed lease. Assumes a typical pre-marketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month leasing is expected to begin should accompany all absorption estimates.
<b>Absorption Rate</b>	The average number of units rented each month during the Absorption Period.
<b>Amenity</b>	Tangible or intangible benefits offered to a tenant at no fee (with the exception of day care), typically on-site recreational facilities or planned programs, services and activities.
<b>Annual Demand</b>	The total estimated demand present in the market in any one year for the type of units proposed. Annual demand estimates factor in tenure, tenant age, income restrictions, family size and turnover.
<b>Area Median Income or AMI</b>	100% of the gross median Household income for a specific Metropolitan Statistical Area, county or non-metropolitan area established annually by HUD.
<b>Assisted Living</b>	These projects are typically referred to as “residential care” or “intermediate care” facilities and provide a continuum of living and personal care services.
<b>Basic Rent</b>	The minimum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223(d)(3) Below Market Interest Rate Program. The Basic Rent is calculated on the rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.
<b>Capture Rate</b>	The percentage of age, size, and income qualified renter Households in the Primary Market Area that the property must capture to achieve the Stabilized Level of Occupancy. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age and income qualified renter Households in the primary market area. See Penetration Rate for rate for entire market area.
<b>Comparable Property</b>	A market-rate or Affordable Housing property that is representative of the rental housing choices of the subject’s Primary Market Area and that is similar in construction, size, amenities, or age.
<b>Concession</b>	Discount given to a prospective tenant to induce the tenant to sign a lease. Concessions typically are in the form of free rent for a specific period of time.
<b>Congregate Care</b>	Senior-restricted projects that are characterized by independent living units, coupled with a continuum of resident services. Resident services can include, but are not limited to, providing one or more meals per day, housekeeping assistance, linen service, 24-hour security and transportation service.
<b>Contract Rent</b>	The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenant, to the owner, inclusive of all terms of the lease.

<b>Demand</b>	An estimate of the total number of market Households that have both the desire and the ability to obtain the product and/or services offered.
<b>Effective Rents</b>	Market Rents less concessions.
<b>Family</b>	A family consists of a householder (i.e., one who occupies or owns a house/head of a household) and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. Not all households contain families since a household may comprise a group of unrelated persons or one person living alone. (Source: US Census)
<b>Gross Rent</b>	The monthly housing cost to a tenant which equals the Contract Rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.
<b>Household</b>	All the persons who occupy a housing unit as their usual place of residence. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements. (Source: U.S. Census)
<b>Household Trends</b>	Changes in the number of Households for a particular area over a specific period of time, which is a function of new Household formation (e.g. at marriage or separation) and decreasing average Household size.
<b>Income Band</b>	The range of incomes of Households which can pay a specific rent but do not have more income than is allowed by the Income Limits of a particular housing program. The minimum income typically is based on a defined Acceptable Rent Burden percentage and the maximum typically is pre-defined by specific programmatic requirements or by general market parameters.
<b>Independent Living</b>	Senior-restricted projects characterized by independent living units and a lack of assisted living services. Such projects may have community rooms, club houses or other common area amenities but do not offer assisted living services. Tenants must contract for assisted living services with public or private agencies.
<b>Infrastructure</b>	Services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.
<b>Market Advantage</b>	The difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property.
<b>Market Area</b>	A geographic area from which a Property is expected to draw the majority of its residents.
<b>Market Area, Primary (PMA)</b>	The most likely geographic area from which a Property would draw its support.
<b>Market Area, Secondary (SMA)</b>	The portion of a market area that supplies additional support to an apartment property beyond that provided by the primary market area.
<b>Market Demand</b>	The number of units required in a defined market area to accommodate Demand (i.e. Households that desire to improve the quality of their housing without significantly increasing their economic burden).

<b>Market Feasibility Analysis</b>	An analysis that determines whether a proposed development can attain its target rents, taking into account the development's characteristics (location, size, unit mix, design, and amenities), the depth of its target market, and the strength of its appeal in comparison to other existing and planned options available to potential consumers.
<b>Marketability</b>	The manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.
<b>Market Vacancy Rate</b>	Average number of apartment units in any market area which are unoccupied divided by the total number of apartment units in the same market area, excluding units in properties which are in the lease-up stage.
<b>Metropolitan Statistical Area (MSA)</b>	A geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000. The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.
<b>Move-up Demand</b>	An estimate of how many consumers are able and willing to relocate to more expensive or desirable units, such as tenants who move up from Class C properties to Class B; and Class B tenants that move up to class A properties; and tenants that move from Class C and B properties to new superior Tax Credit properties. For purposes of demonstrating move-up demand both changes in Class Construction Type, and changes in Quality Classification of 5 or more, may be considered (Reference the California State Board of Equalization Assessor's Handbook Section 531, January 2003, pages 4-5 for definitions of Class and Quality Classifications).
<b>Neighborhood</b>	An area of a city or town with common demographic and economic features that distinguish it from adjoining areas.
<b>Net Rent (also referred to as Contract Rent or Lease Rent)</b>	Gross Rent less Tenant Paid Utilities.
<b>Penetration Rate</b>	The percentage of age and income qualified renter Households in the Primary Market Area that all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the Stabilized Level of Occupancy. Funding agencies may require restrictions to the qualified Households used in the calculation including age, income, living in substandard housing, mover ship and other comparable factors. See Capture Rate for property specific rate.
<b>Pent-up Demand</b>	A market in which there is a scarcity of supply and vacancy rates are very low.
<b>Population Trends</b>	Changes in population levels for a particular area over a specific period of time—which is a function of the level of births, deaths, and net migration.

<b>Project Based Rent Assistance</b>	Rental assistance from a federal, state or local program that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.
<b>Rent Burden</b>	Contract Rent plus Tenant Paid Utilities divided by the gross monthly Household income.
<b>Rent Burdened Households</b>	Households with Rent Burden above the level determined by the lender, investor, or public program to be an acceptable rent-to-income ratio.
<b>Restricted Rent</b>	The maximum allowable rent under the restrictions of a specific housing program or subsidy.
<b>Saturation</b>	The point at which there is no longer demand to support additional units.
<b>Single-family Housing</b>	A dwelling unit, either attached or detached, designed for use by one Household and with direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.
<b>Special Needs Population</b>	Specific market niche which is typically not catered to in a conventional apartment property. This population should exhibit certain criteria which can be well-defined and are reasonably quantifiable, in order, for example, to assess the need and demand from this source.
<b>Stabilized Level of Occupancy</b>	The underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units. For TCAC projects these percentages are equal to a physical occupancy rate that will generate 90% of aggregate restricted rents for SRO and Special Needs units and generate 95% of aggregate restricted rents for all other types of units.
<b>Step-up or Strong Market</b>	A market area characterized by natural and/or constructed amenities that is generally attractive to both renters and homeowners. Typically characterized by stronger home prices and higher rents relative to the county or secondary market area.
<b>Step-Down or Weak Market</b>	A market area characterized by a lack of natural and/or constructed amenities that is generally less attractive to both renters and homeowners. Typically characterized by weaker home prices and lower rents relative to the county or secondary market area.
<b>Subsidy</b>	Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's contract rent and the amount paid by the tenant toward rent.
<b>Substandard Conditions</b>	Housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.
<b>Target Income Band</b>	The estimated Income Band from which the subject property will likely draw tenants.
<b>Target Population</b>	Market niche a development will appeal to or cater to.
<b>Tenant Paid Utilities</b>	The cost of utilities necessary for the habitation of a dwelling unit which are paid by the tenant. Tenant Paid Utilities do not include costs for telephone or cable service.
<b>Tenure</b>	The distinction between owner-occupied and renter-occupied housing units.

<b>Turnover</b>	An estimate of the number of housing units in a market area as a percentage of total housing units in the market area that will likely change occupants in any one year. Only turnover in the primary market area rental market (i.e., number of rental housing units as a percentage of total rental housing units that will likely change occupants) shall be considered for purposes of constructing demand estimates.
<b>Unmet Housing Need</b>	New units required in the market area to accommodate Household growth, homeless Households, and Households in substandard housing.
<b>Vacancy Period</b>	The amount of time that an apartment remains vacant and available for rent.
<b>Vacancy Rate - Economic</b>	Maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The economic vacancy rate should be used exclusively for project rent proformas, and not for reporting the vacancy rate of rent comparables.
<b>Vacancy Rate - Physical</b>	The number of total habitable units that are vacant divided by the total number of units in the property. The physical vacancy rate shall be used when reporting rent comparable vacancy rates.
<b>Zoning</b>	Classification and regulation of land by local governments according to use categories (zones); often also includes density designations.



**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

The Hunter House, located at 610 N. Hunter Street & 619 N. San Joaquin Street in Stockton, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$11,892,447 in total state tax credits to finance the new construction of 119 units of housing serving special needs tenants with rents affordable to households earning 15%-60% of area median income (AMI). The project will be developed by Service First of Northern California and will be located in Senate District 5 and Assembly District 13.

The project financing includes state funding from the Infill Infrastructure Grant (IIG), Affordable Housing and Sustainable Communities (AHSC) program(s) of HCD.

**Project Number** CA-22-093

**Project Name** The Hunter House  
Site Address: 610 N. Hunter Street & 619 N. San Joaquin Street  
Stockton, CA 95202 County: San Joaquin  
Census Tract: 1.02

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,500,000	\$11,892,447
Recommended:	\$2,500,000	\$11,892,447

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

**Applicant Information**

Applicant: Service First of Northern California  
Contact: Vernell Hill  
Address: 102 W. Bianchi Road  
Stockton, CA 95207  
Phone: 209-406-3051  
Email: vhill@servicefirstnc.org

General Partner(s) / Principal Owner(s): Service First of Northern California  
Central Valley Coalition for Affordable Housing  
Parent Company(ies): Service First of Northern California  
Central Valley Coalition for Affordable Housing  
Developer: Service First of Northern California  
Investor/Consultant: Community Economics Inc  
Management Agent(s): FPI Management, Inc.

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 2  
Total # of Units: 120  
No. & % of Tax Credit Units: 119 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: None

**Information**

Set-Aside: Nonprofit (homeless assistance)  
Housing Type: Special Needs  
Type of Special Needs: Homeless/formally homeless  
Average Targeted Affordability of Special Needs/SRO Project Units: 36.72%  
% of Special Need Units: 119 units 100.00%  
Geographic Area: Central Valley Region  
CTCAC Project Analyst: Nick White

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percent of Required Affordable Units</b>
At or Below 20% AMI:	37	30%
At or Below 30% AMI:	13	10%
At or Below 40% AMI:	12	10%
At or Below 50% AMI:	45	35%

**Unit Mix**

92 1-Bedroom Units
28 2-Bedroom Units
<b>120 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2022 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
35 1 Bedroom	15%	\$233
12 1 Bedroom	40%	\$621
38 1 Bedroom	50%	\$776
7 1 Bedroom	60%	\$931
2 2 Bedrooms	15%	\$279
13 2 Bedrooms	30%	\$559
7 2 Bedrooms	50%	\$932
5 2 Bedrooms	55%	\$1,025
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,677,654
Construction Costs	\$38,851,698
Rehabilitation Costs	\$0
Construction Contingency	\$2,138,585
Relocation	\$0
Architectural/Engineering	\$1,697,129
Const. Interest, Perm. Financing	\$2,668,169
Legal Fees	\$255,000
Reserves	\$3,187,165
Other Costs	\$4,187,637
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$56,863,036</b>

**Residential**

Construction Cost Per Square Foot:	\$357
Per Unit Cost:	\$473,859
True Cash Per Unit Cost*:	\$473,859

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Bank of the West	\$41,652,654	HCD - AHSC	\$17,240,556
City of Stockton	\$1,740,000	City of Stockton	\$1,740,000
AHP	\$1,250,000	HCD - IIG	\$2,538,787
HCD IIG	\$2,538,787	HCD - AHSC	\$15,000
Impact Fee Waiver	\$1,748,736	AHP	\$1,250,000
Tax Credit Equity	\$3,260,695	GP Equity	\$1,000
		Impact Fee Waiver	\$1,748,736
		Tax Credit Equity	\$32,328,957
		<b>TOTAL</b>	<b>\$56,863,036</b>

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

#### **Determination of Credit Amount(s)**

Requested Eligible Basis:	\$40,071,582
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$52,093,057
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$11,892,447
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Community Economics Inc
Federal Tax Credit Factor:	\$0.91260
State Tax Credit Factor:	\$0.80000

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:	<b>Special Needs</b>
Self-Score Final:	<b>70.781%</b>
CTCAC Final:	<b>71.800%</b>

#### **Significant Information / Additional Conditions**

The applicant's estimate for annual operating expenses per unit is below the \$8,100 published per unit operating expense minimum required for this type of project. Under regulation section 10327(g) operating expenses below the published minimum may be corrected. At the submission of the next updated CTCAC application required by CTCAC, and all subsequent submissions to CTCAC, the applicant must meet the requirement of regulation section 10327(g)(1).

#### **Resyndication and Resyndication Transfer Event:** None

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

#### **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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>0</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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 1½ miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3
Special Needs project within 1 mile of facility serving tenant population	2	2	2
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
In-unit high speed internet service	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
SPECIAL NEEDS HOUSING TYPE			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>99</b>

**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.**



## **Exhibit A – Item No. 4: Estrella (CA-22-089)**

Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of Estrella (CA-22-089) affecting the 2022 Second Round Application for Reservation of Federal 9% LIHTCs in San Diego County.



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
NANCEE ROBLES

July 29, 2022

Esther Barron  
San Marcos Family Housing  
13520 Evening Creek Dr. North, Suite 160  
San Diego, CA 92128

E-mail: [esther@affirmedhousing.com](mailto:esther@affirmedhousing.com)  
[katelyn@compassfah.org](mailto:katelyn@compassfah.org)

**RE: CA-22-089 / Estrella**

Dear Esther Barron,

Following your submission for the California Tax Credit Allocation Committee (CTCAC) second 2022 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comments. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

	<b><u>Points Requested</u></b>	<b><u>Points Awarded</u></b>
1. General Partner Experience	7	0
2. Management Experience	3	3
3. Housing Needs	10	10
4. Site Amenities	15	15
5. Service Amenities	10	10
6. Lowest Income	52	52
7. Readiness to Proceed	10	10
8. Miscellaneous Federal and State Policies	2	2
<b>TOTAL</b>	<b>109</b>	<b>102</b>

CTCAC staff reduced General Partnership Experience category by seven (7) points.

CTCAC determined that the CPA certification for General Partnership Experience was insufficient. To be valid, the CPA certification must be dated within 60 days of the CTCAC tax credit application, per CTCAC Regulation Section 10325(c)(1)(A)(i). The attached certification from Novogradac & Company LLP is dated February 28, 2022, while the second round CTCAC tax credit applications were due June 30, 2022.

CTCAC has calculated your Final Tie Breaker score and the score is **67.984%**.

In the application, the Final Tie Breaker self-score is 74.218%.

Because this is an existing tax credit project (CA-97-954), CTCAC removed the principal of an existing city public loan from the Final Tie Breaker calculator, which reduced the public funds numerator. CTCAC Regulation Section 10325(c)(9)(A)(i) stipulates that this is only permissible to include the principal of an existing public loan if the origination date of the loan was more than 30 years prior to the CTCAC tax credit application.

You may request further clarification about the point reductions by contacting Franklin Cui at [franklin.cui@treasurer.ca.gov](mailto:franklin.cui@treasurer.ca.gov). Staff can answer questions about the point and/or tie breaker reduction language in this letter. Staff cannot provide guidance or discuss the merits of an appeal of the scoring reductions in this letter. If you would like to discuss the Final Tie Breaker scoring informally, please contact Ruben Barcelo at [ruben.barcelo@treasurer.ca.gov](mailto:ruben.barcelo@treasurer.ca.gov).

If you would like to formally appeal staff's scoring, you must do so in writing, and it must be received by CTCAC no later than August 5, 2022. Your appeal must be sent via email to Anthony Zeto, Deputy Director, at [anthony.zeto@treasurer.ca.gov](mailto:anthony.zeto@treasurer.ca.gov) and should specifically identify the grounds for the appeal based on the existing documentation submitted in your originally filed application. No fee is required for this appeal. You may not appeal any other applicant's score.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects' scoring letters since individual letters will be sent later as the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact Franklin Cui **after** the final awards have been made.

We appreciate your interest in the Low-Income Housing Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,



Timothy Handy  
Development Program Manager





August 5, 2022

Mr. Anthony Zeto  
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
915 Capitol Mall, Room 485  
Sacramento, CA 95814

RE: CA-22-089 - Estrella / San Marcos Family Housing, L.P. / Pending 9% Tax Credit Application  
Point Letter Appeal

Dear Mr. Zeto,

We are in receipt of CTCAC's Point Letter dated July 29, 2022 for our Estrella project. On behalf of the project, we are appealing both the point reduction related to General Partner Experience and the tiebreaker reduction related to staff's decision to exclude from the calculation the outstanding City debt being assumed by the project. Our reasoning for each is based in strict reading of the applicable CTCAC Regulations.

First, the GP Experience certification from Novogradac that was provided in the application exceeds the 60 day prior to application deadline window because it was originally prepared for a first round 2022 application. Per CTCAC Regulations Section 10325(1)(A)(i):

If the certification is prepared for a first round application utilizing prepared financial statements of the previous calendar year, the certification may be submitted in a second round application, exceeding the 60 day requirement above.

Affirmed Housing Group, Inc. is the Parent Company of both AHG Estrella, LLC and AHG Lincoln, LLC, the Administrative General Partner of Lincoln Avenue Senior Housing (CA-22-028), which was awarded full points in this category in Round 1 of this year. The financial statements used for Affirmed Housing Group, Inc. and its subsidiaries' (including Estrella) 2022 General Partner Experience report prepared by Novogradac & Company LLP were for the year ended December 31, 2021. The same financial statements reviewed for the Round 1 application certification are applicable for Estrella, so an updated report is not necessary for Round 2 and therefore, per CTCAC Regulation Section 10325(1)(A)(i), the certification can be dated more than 60 days prior to the application deadline. The Point Letter for Estrella should be revised to include the full 7 points for GP Experience.

Second, Estrella's tiebreaker score should not be reduced as reflected in the Point Letter. CTCAC staff cites Regulation Section 10325 (c)(9)(A)(i) to justify removing the principal of an existing city public loan from the Final Tie Breaker calculator. However, the language within this section reads:

"Public funds" include federal, tribal, state, or local government funds, including the outstanding principal balances of prior existing public debt or subsidized debt that has been or will be



assumed in the course of an **acquisition/rehabilitation transaction**, except that outstanding principal balances for projects subject to an existing CTCAC regulatory agreement shall not be considered public funds if such loans were funded less than 30 years prior to the application deadline.

Estrella is not an acquisition/rehabilitation transaction. It is instead a demolition of 30 existing affordable units and new construction of 96 affordable units. The project exceeds the minimum requirements of a New Construction Project as defined under Section 5170 of the CDLAC Regulations:

“New Construction Project” QRRP projects applying for an allocation of tax-exempt private activity bonds who meet at least one of the following: (1) 100% of its units constitute new units to the market, **(2) involves the demolition or rehabilitation of existing residential units that increase the unit count by (i) 25 or (ii) 50% of the existing units, whichever is greater** or (3) adaptive re-use of non-residential structures, including hotels and motels that were converted to residential use within the previous 5 years from the date of the application.

We understand the CTCAC regulations were amended in 2020 in order to exclude from the tiebreaker calculation existing public loans funded less than 30 years prior on resyndication projects. We also understand CTCAC’s intent to align with CDLAC scoring, which incentivizes the creation of new affordable units versus rehabilitating existing ones. Here is the language from the Statement of Reasons:

The proposed changes include a limitation on public funds scoring for resyndication applications. Existing public loans funded less than 30 years prior to the application date would not count as public funds for scoring purposes and is proposed as part of the alignment with the proposed CDLAC scoring system.

**CTCAC, CDLAC and the State have prioritized new construction projects and have aimed to incentivize agencies to support new construction affordable homes- and that is exactly what ours is.** We are adding a net new 66 homes and this is not the historical resyndication that has taken place in both the 4% and 9% programs. Throughout the regulations, when resyndication is mentioned it also mentions acquisition/rehabilitation. As such, we believe this further proves that the regulation section is speaking strictly to acquisition/rehabilitation projects and not new construction resyndications adding net new apartment homes.

Therefore, the project meets both the letter and the intent of the Regulations, and the exclusion of public debt from the tiebreaker calculation does not apply. The tiebreaker score should be restored to 74.218% as reflected in the application.

Please do not hesitate to reach out to me by phone at (858) 386-5178, or by email at [james@affirmedhousing.com](mailto:james@affirmedhousing.com) if you require any additional information. Thank you for your consideration.




Sincerely,

San Marcos Family Housing, L.P., a California limited partnership

By: AHG Estrella, LLC, a California limited liability company  
Its: Administrative General Partner

By: Affirmed Housing Group, Inc., a Delaware corporation  
Its: Manager

By:  DocuSigned by:  
*Jimmy Silverwood*  
C37E1864E5814FB  
Jimmy Silverwood  
Its: President



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
Nancee Robles

August 12, 2022

Esther Barron  
San Marcos Family Housing  
13520 Evening Creek Dr. North, Suite 160  
San Diego, CA 92128

E-mail: [esther@affirmedhousing.com](mailto:esther@affirmedhousing.com)  
[katelyn@compassfah.org](mailto:katelyn@compassfah.org)

**RE: CA-22-089 / Estrella**

Dear Ms. Barron:

This letter is in response to the appeal letter received on August 5, 2022 of the California Tax Credit Allocation Committee (“CTCAC”) point score and final tie breaker reductions for the above referenced project. CTCAC reduced the General Partner Experience points because the CPA certification was not within 60 days of the application filing date as required by CTCAC Regulation Section 10325(c)(1)(A)(i). The final tie breaker score was reduced from 74.218% to 67.984% for the City of San Marcos existing loan because the project is an existing tax credit project (CA-97-954) where that loan was not funded at least 30 years prior to the application filing deadline as required by CTCAC Regulation Section 10325(c)(9)(A)(i).

### General Partner Experience Points

The appeal letter cited CTCAC Regulation Section 10325(c)(1)(A)(i) where it states, “If the certification is prepared for a first round application utilizing prepared financial statements of the previous calendar year, the CPA certification may be submitted in a second round application, exceeding the 60 day requirement above.” You stated that the same certification was used in a first round application for another project. The appeal letter explained that Affirmed Housing Group, Inc. is the parent company for the both projects for which the experience points are being requested for.

Following review of the appeal letter, the application, and CTCAC regulations, I find that the CPA certification was included in a first round application, though for another project. Historically, staff

has observed the same certification submitted in multiple applications in a round. I find that the CPA certification meets the intent of the CTCAC regulations cited above. As a result, the appeal is granted.

Final Tie Breaker Score

The appeal letter cited CTCAC Regulation Section 10325(c)(9)(A)(i) stating the exclusion applies to acquisition/rehabilitation projects and that the subject project is a demolition/new construction of an existing CTCAC project that will add 66 additional homes. You then cite the CDLAC definition of New Construction and emphasize the State's prioritization of new construction projects to support new affordable homes.

Following review of the appeal letter, the application, and CTCAC regulations, I concur with staff's exclusion of the City of San Marcos existing loan for the reasons stated in the original point letter. Despite the construction type, the project is project (CA-97-954) is currently subject to an existing CTCAC regulatory agreement, precluding the City of San Marcos existing loan from being included calculation of the final tie breaker score. As a result, the appeal is not granted.

Please see the new point letter. Please feel free to contact me at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov) should you have any questions or concerns. If you wish to appeal this decision, you may email your appeal in writing to Executive Director Nancee Robles at [nancee.robles@treasurer.ca.gov](mailto:nancee.robles@treasurer.ca.gov) and cc me at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov). Your appeal must be received by CTCAC no later than August 17, 2022.

Sincerely,



Anthony Zeto  
Deputy Executive Director

Enclosure



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Director of Finance
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Director of HCD
TIENA JOHNSON HALL
Executive Director of CalHFA

EXECUTIVE DIRECTOR
NANCEE ROBLES

REVISED

August 12, 2022

Esther Barron
San Marcos Family Housing
13520 Evening Creek Dr. North, Suite 160
San Diego, CA 92128

E-mail: esther@affirmedhousing.com
katelyn@compassfah.org

RE: CA-22-089 / Estrella

Dear Ms. Barron:

Following your submission for the California Tax Credit Allocation Committee (CTCAC) second 2022 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comments. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

Table with 3 columns: Item, Points Requested, Points Awarded. Rows include General Partner Experience, Management Experience, Housing Needs, Site Amenities, Service Amenities, Lowest Income, Readiness to Proceed, Miscellaneous Federal and State Policies, and a TOTAL row.

CTCAC has calculated your Final Tie Breaker score and the score is **67.984%**.

In the application, the Final Tie Breaker self-score is 74.218%.

Because this is an existing tax credit project (CA-97-954), CTCAC removed the principal of an existing city public loan from the Final Tie Breaker calculator, which reduced the public funds numerator. CTCAC Regulation Section 10325(c)(9)(A)(i) stipulates that this is only permissible to include the principal of an existing public loan if the origination date of the loan was more than 30 years prior to the CTCAC tax credit application.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects' scoring letters since individual letters will be sent later as the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact Franklin Cui **after** the final awards have been made.

We appreciate your interest in the Low-Income Housing Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,



Timothy Handy  
Development Program Manager



August 17, 2022

Ms. Nancee Robles  
Executive Director  
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
915 Capitol Mall, Room 485  
Sacramento, CA 95814

RE: CA-22-089 - Estrella / San Marcos Family Housing, L.P. / Pending 9% Tax Credit Application  
Point Letter Appeal

Dear Ms. Robles,

We are in receipt of CTCAC's appeal response and Point Letter dated August 12, 2022 for our Estrella project. We appreciate staff granting our appeal of GP experience points. However, we will continue to appeal the tiebreaker reduction related to staff's decision to exclude from the calculation the outstanding City debt being assumed by the project. Our reasoning is based both in strict reading of the applicable CTCAC Regulations and the previously stated intent of the relevant Regulations.

We believe when CTCAC, CDLAC and the committee speak to 'unicorn' projects, that is what Estrella falls under. A creative way for both a local agency and developer to creatively craft a redevelopment project, adding significant net new apartment homes, while meeting the policies and goals of the committee and the regulations.

As stated in our initial appeal, Estrella's tiebreaker score should not be reduced as reflected in the Point Letter. CTCAC staff cites Regulation Section 10325 (c)(9)(A)(i) to justify removing the principal of an existing city public loan from the Final Tie Breaker calculator. However, the language within this section reads:

"Public funds" include federal, tribal, state, or local government funds, including the outstanding principal balances of prior existing public debt or subsidized debt that has been or will be assumed in the course of an **acquisition/rehabilitation transaction**, except that outstanding principal balances for projects subject to an existing CTCAC regulatory agreement shall not be considered public funds if such loans were funded less than 30 years prior to the application deadline.

Estrella is not an acquisition/rehabilitation transaction. It is instead a demolition of 30 existing affordable units and new construction of 96 affordable units. The project exceeds the minimum requirements of a New Construction Project as defined under Section 5170 of the CDLAC Regulations:

"New Construction Project" QRRP projects applying for an allocation of tax-exempt private activity bonds who meet at least one of the following: (1) 100% of its units constitute new units to the market, **(2) involves the demolition or rehabilitation of existing residential units that increase the unit count by (i) 25 or (ii) 50% of the existing units, whichever is greater** or (3)





adaptive re-use of non-residential structures, including hotels and motels that were converted to residential use within the previous 5 years from the date of the application.

Staff's response to our initial appeal does not address the fact that the Regulations specifically tie this tiebreaker scoring provision to acquisition/rehabilitation projects. Staff's response states that the original project (CA-97-954) is subject to an existing CTCAC regulatory agreement, and therefore we must exclude the existing City of San Marcos debt from the calculation. We believe this interpretation is incorrect based on a strict reading of Regulation Section 10325 (c)(9)(A)(i) and the fact that, throughout the regulations, when resyndication is mentioned it also mentions acquisition/rehabilitation. As such, we believe this further proves that the Regulation section is speaking strictly to acquisition/rehabilitation projects and not new construction resyndications adding net new apartment homes.

As for the intent of the Regulations, we understand they were amended in 2020 in order to exclude from the tiebreaker calculation existing public loans funded less than 30 years prior on resyndication projects. We also understand CTCAC's intent to align with CDLAC scoring, which incentivizes the creation of new affordable units versus rehabilitating existing ones. Here is the language from the Statement of Reasons:

The proposed changes include a limitation on public funds scoring for resyndication applications. Existing public loans funded less than 30 years prior to the application date would not count as public funds for scoring purposes and is proposed as part of the alignment with the proposed CDLAC scoring system.

**CTCAC, CDLAC and the State have prioritized new construction projects and have aimed to incentivize agencies to support new construction affordable homes- and that is exactly what ours is.** We are adding a net new 66 homes and this is not the historical resyndication that has taken place in both the 4% and 9% programs.

Furthermore, we reviewed the minutes from CTCAC's June 16, 2021 meeting, during which the Committee considered an appeal related to this provision on behalf of Palos Verde Apartments (CA-21-031). We would like to draw your attention to page 3 of these minutes, where staff and Committee members describe explicitly the intent of the Regulation change in question:

Mr. Zeto explained the regulation change was specific to re-syndication of existing projects already bound by a 55-year CTCAC regulatory agreement. *He stated **the intent of the regulation change was to incentivize new housing units.***

Mr. Sertich stated that in previous years, these projects could be rehabilitated through the 4% program. *Given* the competitiveness of the bonds and *the push for new construction*, he stated staff should consider other options to provide these projects a greater life span under the 55-year regulatory period.



Treasurer Ma shared the same concerns related to rehabilitation projects but ***with the current housing crisis, the focus was increasing the number of housing units***. She stated staff welcomes input this year for 2022 regulatory changes.

Estrella is clearly not the type of project that CTCAC intends to disadvantage by disallowing assumed public debt from inclusion in the tiebreaker. The project adds 66 new units to CTCAC's affordable housing stock, which is a greater number of homes than the vast majority of projects CTCAC intends to award in this upcoming round.

Finally, the public benefit of the City debt rollover into this new construction project is undeniable. The outstanding principal on the City of San Marcos loan, in addition to the accrued interest on the loan, combine to cover the entire purchase price of the land. Therefore, the project does not require additional gap subsidy to cover land acquisition. The debt rollover can be looked at as a de facto land donation/seller carry back soft loan, which would always be allowable in the tiebreaker calculation.

For all the reasons stated above, the project meets both the letter and the intent of the Regulations, and the exclusion of public debt from the tiebreaker calculation does not apply. The tiebreaker score should be restored to 74.218% as reflected in the application.

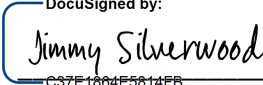
Please do not hesitate to reach out to me by phone at (858) 386-5178, or by email at [james@affirmedhousing.com](mailto:james@affirmedhousing.com) if you require any additional information. Thank you for your consideration.

Sincerely,

San Marcos Family Housing, L.P., a California limited partnership

By: AHG Estrella, LLC, a California limited liability company  
Its: Administrative General Partner

By: Affirmed Housing Group, Inc., a Delaware corporation  
Its: Manager

By:   
C37E1864E5814FB...  
Jimmy Silverwood  
Its: President



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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### MEMBERS

FIONA MA, CPA, CHAIR  
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BETTY YEE  
State Controller

JOE STEPHENSHAW  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
Nancee Robles

August 22, 2022

Esther Barron  
San Marcos Family Housing  
13520 Evening Creek Dr. North, Suite 160  
San Diego, CA 92128

E-mail: [esther@affirmedhousing.com](mailto:esther@affirmedhousing.com)  
[katelyn@compassfah.org](mailto:katelyn@compassfah.org)

**RE: CA-22-089 / Estrella**

Dear Ms. Barron:

This letter is in response to the second appeal letter received on August 15, 2022, of the California Tax Credit Allocation Committee (“CTCAC”) final tie breaker reduction for the above referenced project. CTCAC reduced the final tie breaker score from 74.218% to 67.984% for the City of San Marcos existing loan because the project is an existing tax credit project (CA-97-954) where that loan was not funded at least 30 years prior to the application filing deadline as required by CTCAC Regulation Section 10325(c)(9)(A)(i).

### Final Tie Breaker Score

The appeal letter cited CTCAC Regulation Section 10325(c)(9)(A)(i) stating the exclusion applies to acquisition/rehabilitation projects and that the subject project is a demolition/new construction of an existing CTCAC project that will add 66 additional homes, that Estrella is not an acquisition/rehabilitation transaction, but a demolition. You then cite the CDLAC definition of New Construction and emphasize the State’s prioritization of new construction projects to support new affordable homes. The CTCAC regulations, however, do not make mention, nor do they point, to the CDLAC definition or requirements.

The section that describes the public funds, however, CTCAC Regulation Section 10325(c)(9)(A)(i), calls out the types of public funds considered. It does not specifically apply to JUST acquisition/rehabilitation projects. That section *includes* existing public debt or subsidized debt from an acquisition/rehabilitation project as part of a list of eligible items considered public funds. The

lone exception, of course, for all project types is “*except that outstanding principal balances for projects subject to an existing CTCAC regulatory agreement shall not be considered public funds if such loans were funded less than 30 years prior to the application deadline.*” The exception describes the existing City of San Marcos loan.

Following review of the second appeal letter, the application, and CTCAC regulations, I concur with staff’s exclusion, and the first-round appeal conclusion of the City of San Marcos existing loan for the reasons stated in the original point letter. Despite the construction type, the project (CA-97-954) is currently subject to an existing CTCAC regulatory agreement, precluding the City of San Marcos existing loan from being included calculation of the final tie breaker score. As a result, the appeal is not granted.

Please feel free to contact Gabrielle Stevenson at [gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov) should you have any questions or concerns. If you wish to appeal this decision relating to the tiebreaker reduction to the Committee, you may submit a final written appeal (please email that to [gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov)), along with a \$500 appeal fee, that must be received by CTCAC no later than 5:00 pm on August 27, 2022. Please address any written appeal to CTCAC’s mailing address, and staff will distribute it to the Committee for consideration at the next CTCAC meeting.

Sincerely,



Nancee Robles  
CTCAC Executive Director



August 24, 2022

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
915 Capitol Mall, Room 485  
Sacramento, CA 95814

RE: CA-22-089 - Estrella / Pending 9% Tax Credit Application / Point Letter Appeal

Dear CTCAC Members,

We are in receipt of the CTCAC Executive Director's appeal response dated August 22, 2022 for our Estrella project. We are continuing to appeal the tiebreaker reduction related to staff's decision to exclude from the calculation the outstanding City debt being assumed by the project. Our reasoning is based both in strict reading of the applicable CTCAC Regulations and the previously stated intent of the relevant Regulations.

We believe when CTCAC and the committee speak to 'unicorn' projects, that is what Estrella falls under. It is a creative way for both a local agency and developer to creatively redevelop a project, adding significant net new apartment homes, while meeting the policies and goals of the Committee and the Regulations. These 'unicorn projects' are not, however, specifically addressed in the Regulations. Therefore, it is critical to look not only at the language of the Regulations, but also the intent to provide new affordable units. Estrella is a new construction resyndication project and will triple the density of an older deal with significant City and County investments. The application is structured for new construction and CTCAC is scoring it this way. However, CTCAC is applying acquisition/rehabilitation regulation to the project when calculating the tiebreaker score. We address the Regulation language extensively in our first and second appeals (attached). However, I do want to point out this section from the Executive Director's appeal response:

*...The lone exception, of course, for all project types is "except that outstanding principal balances for projects subject to an existing CTCAC regulatory agreement shall not be considered public funds if such loans were funded less than 30 years prior to the application deadline." The exception describes the existing City of San Marcos loan.*

The italicized language pulls directly from the Regulations. "For all project types" are the Executive Director's own words and not included in the Regulations. This interpretation is incorrect based on a strict reading of Regulation Section 10325 (c)(9)(A)(i). Both appeal responses include only a restatement of Regulation language that is extrapolated to apply to a project type (New Construction) that it clearly does not. Furthermore, neither appeal response from staff speaks to intent of the Regulations, to incentivize new construction projects like this one.

We understand the Regulations were amended in 2020 in order to exclude from the tiebreaker calculation existing public loans funded less than 30 years prior on resyndication projects. We also understand CTCAC's intent to align with CDLAC scoring, which incentivizes the creation of new affordable units versus rehabilitating existing ones. **CTCAC, CDLAC and the State have prioritized new**



**construction projects and have aimed to incentivize agencies to support new construction affordable homes- and that is exactly what ours is.** We are adding a net new 66 homes and this is not the historical resyndication that has taken place in both the 4% and 9% programs. Furthermore, we reviewed the minutes from CTCAC's June 16, 2021 meeting, during which the Committee considered an appeal related to this provision on behalf of Palos Verde Apartments (CA-21-031). We would like to draw your attention to page 3 of these minutes, where staff and Committee members describe explicitly the intent of the Regulation change in question:

Mr. Zeto explained the regulation change was specific to re-syndication of existing projects already bound by a 55-year CTCAC regulatory agreement. *He stated **the intent of the regulation change was to incentivize new housing units.***

Mr. Sertich stated that in previous years, these projects could be rehabilitated through the 4% program. *Given the competitiveness of the bonds and **the push for new construction**, he stated staff should consider other options to provide these projects a greater life span under the 55-year regulatory period.*

Treasurer Ma shared the same concerns related to rehabilitation projects but ***with the current housing crisis, the focus was increasing the number of housing units.*** She stated staff welcomes input this year for 2022 regulatory changes.

Estrella is clearly not the type of project that CTCAC intends to disadvantage by disallowing assumed public debt from inclusion in the tiebreaker. The project adds 66 new units to CTCAC's affordable housing stock, which is a greater number of homes than the vast majority of projects CTCAC intends to award in this upcoming round.

For all the reasons stated above, the project meets both the letter and the intent of the Regulations, and the exclusion of public debt from the tiebreaker calculation does not apply. The tiebreaker score should be restored to 74.218% as reflected in the application.

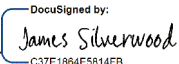
Please do not hesitate to reach out to me by phone at (858) 386-5178, or by email at [james@affirmedhousing.com](mailto:james@affirmedhousing.com) if you require any additional information. Thank you for your consideration.

Sincerely,

San Marcos Family Housing, L.P., a California limited partnership

By: AHG Estrella, LLC, a California limited liability company  
Its: Administrative General Partner

By: Affirmed Housing Group, Inc., a Delaware corporation  
Its: Manager

By:  \_\_\_\_\_  
Jimmy Silverwood  
Its: President

# **Affirmed Housing First & Second Appeal Letters and CTCAC Staff Appeal Responses**



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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 Director of Finance

GUSTAVO VELASQUEZ  
 Director of HCD

TIENA JOHNSON HALL  
 Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
 NANCEE ROBLES

July 29, 2022

Esther Barron  
 San Marcos Family Housing  
 13520 Evening Creek Dr. North, Suite 160  
 San Diego, CA 92128

E-mail: [esther@affirmedhousing.com](mailto:esther@affirmedhousing.com)  
[katelyn@compassfah.org](mailto:katelyn@compassfah.org)

**RE: CA-22-089 / Estrella**

Dear Esther Barron,

Following your submission for the California Tax Credit Allocation Committee (CTCAC) second 2022 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comments. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

	<b><u>Points Requested</u></b>	<b><u>Points Awarded</u></b>
1. General Partner Experience	7	0
2. Management Experience	3	3
3. Housing Needs	10	10
4. Site Amenities	15	15
5. Service Amenities	10	10
6. Lowest Income	52	52
7. Readiness to Proceed	10	10
8. Miscellaneous Federal and State Policies	2	2
<b>TOTAL</b>	<b>109</b>	<b>102</b>



CTCAC staff reduced General Partnership Experience category by seven (7) points.

CTCAC determined that the CPA certification for General Partnership Experience was insufficient. To be valid, the CPA certification must be dated within 60 days of the CTCAC tax credit application, per CTCAC Regulation Section 10325(c)(1)(A)(i). The attached certification from Novogradac & Company LLP is dated February 28, 2022, while the second round CTCAC tax credit applications were due June 30, 2022.

CTCAC has calculated your Final Tie Breaker score and the score is **67.984%**.

In the application, the Final Tie Breaker self-score is 74.218%.

Because this is an existing tax credit project (CA-97-954), CTCAC removed the principal of an existing city public loan from the Final Tie Breaker calculator, which reduced the public funds numerator. CTCAC Regulation Section 10325(c)(9)(A)(i) stipulates that this is only permissible to include the principal of an existing public loan if the origination date of the loan was more than 30 years prior to the CTCAC tax credit application.

You may request further clarification about the point reductions by contacting Franklin Cui at [franklin.cui@treasurer.ca.gov](mailto:franklin.cui@treasurer.ca.gov). Staff can answer questions about the point and/or tie breaker reduction language in this letter. Staff cannot provide guidance or discuss the merits of an appeal of the scoring reductions in this letter. If you would like to discuss the Final Tie Breaker scoring informally, please contact Ruben Barcelo at [ruben.barcelo@treasurer.ca.gov](mailto:ruben.barcelo@treasurer.ca.gov).

If you would like to formally appeal staff's scoring, you must do so in writing, and it must be received by CTCAC no later than August 5, 2022. Your appeal must be sent via email to Anthony Zeto, Deputy Director, at [anthony.zeto@treasurer.ca.gov](mailto:anthony.zeto@treasurer.ca.gov) and should specifically identify the grounds for the appeal based on the existing documentation submitted in your originally filed application. No fee is required for this appeal. You may not appeal any other applicant's score.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects' scoring letters since individual letters will be sent later as the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact Franklin Cui **after** the final awards have been made.

We appreciate your interest in the Low-Income Housing Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,



Timothy Handy  
Development Program Manager



August 5, 2022

Mr. Anthony Zeto  
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
915 Capitol Mall, Room 485  
Sacramento, CA 95814

RE: CA-22-089 - Estrella / San Marcos Family Housing, L.P. / Pending 9% Tax Credit Application  
Point Letter Appeal

Dear Mr. Zeto,

We are in receipt of CTCAC's Point Letter dated July 29, 2022 for our Estrella project. On behalf of the project, we are appealing both the point reduction related to General Partner Experience and the tiebreaker reduction related to staff's decision to exclude from the calculation the outstanding City debt being assumed by the project. Our reasoning for each is based in strict reading of the applicable CTCAC Regulations.

First, the GP Experience certification from Novogradac that was provided in the application exceeds the 60 day prior to application deadline window because it was originally prepared for a first round 2022 application. Per CTCAC Regulations Section 10325(1)(A)(i):

If the certification is prepared for a first round application utilizing prepared financial statements of the previous calendar year, the certification may be submitted in a second round application, exceeding the 60 day requirement above.

Affirmed Housing Group, Inc. is the Parent Company of both AHG Estrella, LLC and AHG Lincoln, LLC, the Administrative General Partner of Lincoln Avenue Senior Housing (CA-22-028), which was awarded full points in this category in Round 1 of this year. The financial statements used for Affirmed Housing Group, Inc. and its subsidiaries' (including Estrella) 2022 General Partner Experience report prepared by Novogradac & Company LLP were for the year ended December 31, 2021. The same financial statements reviewed for the Round 1 application certification are applicable for Estrella, so an updated report is not necessary for Round 2 and therefore, per CTCAC Regulation Section 10325(1)(A)(i), the certification can be dated more than 60 days prior to the application deadline. The Point Letter for Estrella should be revised to include the full 7 points for GP Experience.

Second, Estrella's tiebreaker score should not be reduced as reflected in the Point Letter. CTCAC staff cites Regulation Section 10325 (c)(9)(A)(i) to justify removing the principal of an existing city public loan from the Final Tie Breaker calculator. However, the language within this section reads:

"Public funds" include federal, tribal, state, or local government funds, including the outstanding principal balances of prior existing public debt or subsidized debt that has been or will be



assumed in the course of an **acquisition/rehabilitation transaction**, except that outstanding principal balances for projects subject to an existing CTCAC regulatory agreement shall not be considered public funds if such loans were funded less than 30 years prior to the application deadline.

Estrella is not an acquisition/rehabilitation transaction. It is instead a demolition of 30 existing affordable units and new construction of 96 affordable units. The project exceeds the minimum requirements of a New Construction Project as defined under Section 5170 of the CDLAC Regulations:

“New Construction Project” QRRP projects applying for an allocation of tax-exempt private activity bonds who meet at least one of the following: (1) 100% of its units constitute new units to the market, **(2) involves the demolition or rehabilitation of existing residential units that increase the unit count by (i) 25 or (ii) 50% of the existing units, whichever is greater** or (3) adaptive re-use of non-residential structures, including hotels and motels that were converted to residential use within the previous 5 years from the date of the application.

We understand the CTCAC regulations were amended in 2020 in order to exclude from the tiebreaker calculation existing public loans funded less than 30 years prior on resyndication projects. We also understand CTCAC’s intent to align with CDLAC scoring, which incentivizes the creation of new affordable units versus rehabilitating existing ones. Here is the language from the Statement of Reasons:

The proposed changes include a limitation on public funds scoring for resyndication applications. Existing public loans funded less than 30 years prior to the application date would not count as public funds for scoring purposes and is proposed as part of the alignment with the proposed CDLAC scoring system.

**CTCAC, CDLAC and the State have prioritized new construction projects and have aimed to incentivize agencies to support new construction affordable homes- and that is exactly what ours is.** We are adding a net new 66 homes and this is not the historical resyndication that has taken place in both the 4% and 9% programs. Throughout the regulations, when resyndication is mentioned it also mentions acquisition/rehabilitation. As such, we believe this further proves that the regulation section is speaking strictly to acquisition/rehabilitation projects and not new construction resyndications adding net new apartment homes.

Therefore, the project meets both the letter and the intent of the Regulations, and the exclusion of public debt from the tiebreaker calculation does not apply. The tiebreaker score should be restored to 74.218% as reflected in the application.

Please do not hesitate to reach out to me by phone at (858) 386-5178, or by email at [james@affirmedhousing.com](mailto:james@affirmedhousing.com) if you require any additional information. Thank you for your consideration.

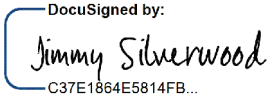


Sincerely,

San Marcos Family Housing, L.P., a California limited partnership

By: AHG Estrella, LLC, a California limited liability company  
Its: Administrative General Partner

By: Affirmed Housing Group, Inc., a Delaware corporation  
Its: Manager

By:  \_\_\_\_\_  
Jimmy Silverwood  
Its: President

DocuSigned by:  
C37E1864E5814FB...



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**EXECUTIVE DIRECTOR**  
Nancee Robles

August 12, 2022

Esther Barron  
San Marcos Family Housing  
13520 Evening Creek Dr. North, Suite 160  
San Diego, CA 92128

E-mail: [esther@affirmedhousing.com](mailto:esther@affirmedhousing.com)  
[katelyn@compassfah.org](mailto:katelyn@compassfah.org)

**RE: CA-22-089 / Estrella**

Dear Ms. Barron:

This letter is in response to the appeal letter received on August 5, 2022 of the California Tax Credit Allocation Committee (“CTCAC”) point score and final tie breaker reductions for the above referenced project. CTCAC reduced the General Partner Experience points because the CPA certification was not within 60 days of the application filing date as required by CTCAC Regulation Section 10325(c)(1)(A)(i). The final tie breaker score was reduced from 74.218% to 67.984% for the City of San Marcos existing loan because the project is an existing tax credit project (CA-97-954) where that loan was not funded at least 30 years prior to the application filing deadline as required by CTCAC Regulation Section 10325(c)(9)(A)(i).

### General Partner Experience Points

The appeal letter cited CTCAC Regulation Section 10325(c)(1)(A)(i) where it states, “If the certification is prepared for a first round application utilizing prepared financial statements of the previous calendar year, the CPA certification may be submitted in a second round application, exceeding the 60 day requirement above.” You stated that the same certification was used in a first round application for another project. The appeal letter explained that Affirmed Housing Group, Inc. is the parent company for the both projects for which the experience points are being requested for.

Following review of the appeal letter, the application, and CTCAC regulations, I find that the CPA certification was included in a first round application, though for another project. Historically, staff

has observed the same certification submitted in multiple applications in a round. I find that the CPA certification meets the intent of the CTCAC regulations cited above. As a result, the appeal is granted.

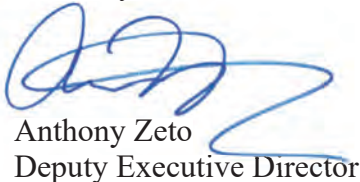
### Final Tie Breaker Score

The appeal letter cited CTCAC Regulation Section 10325(c)(9)(A)(i) stating the exclusion applies to acquisition/rehabilitation projects and that the subject project is a demolition/new construction of an existing CTCAC project that will add 66 additional homes. You then cite the CDLAC definition of New Construction and emphasize the State's prioritization of new construction projects to support new affordable homes.

Following review of the appeal letter, the application, and CTCAC regulations, I concur with staff's exclusion of the City of San Marcos existing loan for the reasons stated in the original point letter. Despite the construction type, the project is project (CA-97-954) is currently subject to an existing CTCAC regulatory agreement, precluding the City of San Marcos existing loan from being included calculation of the final tie breaker score. As a result, the appeal is not granted.

Please see the new point letter. Please feel free to contact me at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov) should you have any questions or concerns. If you wish to appeal this decision, you may email your appeal in writing to Executive Director Nancee Robles at [nancee.robles@treasurer.ca.gov](mailto:nancee.robles@treasurer.ca.gov) and cc me at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov). Your appeal must be received by CTCAC no later than August 17, 2022.

Sincerely,



Anthony Zeto  
Deputy Executive Director

Enclosure



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 Executive Director of CalHFA

### REVISED

August 12, 2022

**EXECUTIVE DIRECTOR**  
 NANCEE ROBLES

Esther Barron  
 San Marcos Family Housing  
 13520 Evening Creek Dr. North, Suite 160  
 San Diego, CA 92128

E-mail: [esther@affirmedhousing.com](mailto:esther@affirmedhousing.com)  
[katelyn@compassfah.org](mailto:katelyn@compassfah.org)

**RE: CA-22-089 / Estrella**

Dear Ms. Barron:

Following your submission for the California Tax Credit Allocation Committee (CTCAC) second 2022 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comments. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

	<b><u>Points Requested</u></b>	<b><u>Points Awarded</u></b>
1. General Partner Experience	7	7 (Revised)
2. Management Experience	3	3
3. Housing Needs	10	10
4. Site Amenities	15	15
5. Service Amenities	10	10
6. Lowest Income	52	52
7. Readiness to Proceed	10	10
8. Miscellaneous Federal and State Policies	2	2
<b>TOTAL</b>	<b>109</b>	<b>109 (Revised)</b>

CTCAC has calculated your Final Tie Breaker score and the score is **67.984%**.

In the application, the Final Tie Breaker self-score is 74.218%.

Because this is an existing tax credit project (CA-97-954), CTCAC removed the principal of an existing city public loan from the Final Tie Breaker calculator, which reduced the public funds numerator. CTCAC Regulation Section 10325(c)(9)(A)(i) stipulates that this is only permissible to include the principal of an existing public loan if the origination date of the loan was more than 30 years prior to the CTCAC tax credit application.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects' scoring letters since individual letters will be sent later as the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact Franklin Cui **after** the final awards have been made.

We appreciate your interest in the Low-Income Housing Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,



Timothy Handy  
Development Program Manager





August 17, 2022

Ms. Nancee Robles  
Executive Director  
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
915 Capitol Mall, Room 485  
Sacramento, CA 95814

RE: CA-22-089 - Estrella / San Marcos Family Housing, L.P. / Pending 9% Tax Credit Application  
Point Letter Appeal

Dear Ms. Robles,

We are in receipt of CTCAC's appeal response and Point Letter dated August 12, 2022 for our Estrella project. We appreciate staff granting our appeal of GP experience points. However, we will continue to appeal the tiebreaker reduction related to staff's decision to exclude from the calculation the outstanding City debt being assumed by the project. Our reasoning is based both in strict reading of the applicable CTCAC Regulations and the previously stated intent of the relevant Regulations.

We believe when CTCAC, CDLAC and the committee speak to 'unicorn' projects, that is what Estrella falls under. A creative way for both a local agency and developer to creatively craft a redevelopment project, adding significant net new apartment homes, while meeting the policies and goals of the committee and the regulations.

As stated in our initial appeal, Estrella's tiebreaker score should not be reduced as reflected in the Point Letter. CTCAC staff cites Regulation Section 10325 (c)(9)(A)(i) to justify removing the principal of an existing city public loan from the Final Tie Breaker calculator. However, the language within this section reads:

"Public funds" include federal, tribal, state, or local government funds, including the outstanding principal balances of prior existing public debt or subsidized debt that has been or will be assumed in the course of an **acquisition/rehabilitation transaction**, except that outstanding principal balances for projects subject to an existing CTCAC regulatory agreement shall not be considered public funds if such loans were funded less than 30 years prior to the application deadline.

Estrella is not an acquisition/rehabilitation transaction. It is instead a demolition of 30 existing affordable units and new construction of 96 affordable units. The project exceeds the minimum requirements of a New Construction Project as defined under Section 5170 of the CDLAC Regulations:

"New Construction Project" QRRP projects applying for an allocation of tax-exempt private activity bonds who meet at least one of the following: (1) 100% of its units constitute new units to the market, **(2) involves the demolition or rehabilitation of existing residential units that increase the unit count by (i) 25 or (ii) 50% of the existing units, whichever is greater** or (3)



adaptive re-use of non-residential structures, including hotels and motels that were converted to residential use within the previous 5 years from the date of the application.

Staff's response to our initial appeal does not address the fact that the Regulations specifically tie this tiebreaker scoring provision to acquisition/rehabilitation projects. Staff's response states that the original project (CA-97-954) is subject to an existing CTCAC regulatory agreement, and therefore we must exclude the existing City of San Marcos debt from the calculation. We believe this interpretation is incorrect based on a strict reading of Regulation Section 10325 (c)(9)(A)(i) and the fact that, throughout the regulations, when resyndication is mentioned it also mentions acquisition/rehabilitation. As such, we believe this further proves that the Regulation section is speaking strictly to acquisition/rehabilitation projects and not new construction resyndications adding net new apartment homes.

As for the intent of the Regulations, we understand they were amended in 2020 in order to exclude from the tiebreaker calculation existing public loans funded less than 30 years prior on resyndication projects. We also understand CTCAC's intent to align with CDLAC scoring, which incentivizes the creation of new affordable units versus rehabilitating existing ones. Here is the language from the Statement of Reasons:

The proposed changes include a limitation on public funds scoring for resyndication applications. Existing public loans funded less than 30 years prior to the application date would not count as public funds for scoring purposes and is proposed as part of the alignment with the proposed CDLAC scoring system.

**CTCAC, CDLAC and the State have prioritized new construction projects and have aimed to incentivize agencies to support new construction affordable homes- and that is exactly what ours is.** We are adding a net new 66 homes and this is not the historical resyndication that has taken place in both the 4% and 9% programs.

Furthermore, we reviewed the minutes from CTCAC's June 16, 2021 meeting, during which the Committee considered an appeal related to this provision on behalf of Palos Verde Apartments (CA-21-031). We would like to draw your attention to page 3 of these minutes, where staff and Committee members describe explicitly the intent of the Regulation change in question:

Mr. Zeto explained the regulation change was specific to re-syndication of existing projects already bound by a 55-year CTCAC regulatory agreement. *He stated **the intent of the regulation change was to incentivize new housing units.***

Mr. Sertich stated that in previous years, these projects could be rehabilitated through the 4% program. *Given* the competitiveness of the bonds and *the push for new construction*, he stated staff should consider other options to provide these projects a greater life span under the 55-year regulatory period.



Treasurer Ma shared the same concerns related to rehabilitation projects but ***with the current housing crisis, the focus was increasing the number of housing units***. She stated staff welcomes input this year for 2022 regulatory changes.

Estrella is clearly not the type of project that CTCAC intends to disadvantage by disallowing assumed public debt from inclusion in the tiebreaker. The project adds 66 new units to CTCAC's affordable housing stock, which is a greater number of homes than the vast majority of projects CTCAC intends to award in this upcoming round.

Finally, the public benefit of the City debt rollover into this new construction project is undeniable. The outstanding principal on the City of San Marcos loan, in addition to the accrued interest on the loan, combine to cover the entire purchase price of the land. Therefore, the project does not require additional gap subsidy to cover land acquisition. The debt rollover can be looked at as a de facto land donation/seller carry back soft loan, which would always be allowable in the tiebreaker calculation.

For all the reasons stated above, the project meets both the letter and the intent of the Regulations, and the exclusion of public debt from the tiebreaker calculation does not apply. The tiebreaker score should be restored to 74.218% as reflected in the application.

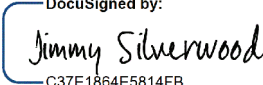
Please do not hesitate to reach out to me by phone at (858) 386-5178, or by email at [james@affirmedhousing.com](mailto:james@affirmedhousing.com) if you require any additional information. Thank you for your consideration.

Sincerely,

San Marcos Family Housing, L.P., a California limited partnership

By: AHG Estrella, LLC, a California limited liability company  
Its: Administrative General Partner

By: Affirmed Housing Group, Inc., a Delaware corporation  
Its: Manager

By:   
C37E1864E5814FB...  
Jimmy Silverwood  
Its: President



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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915 Capitol Mall, Suite 485  
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### MEMBERS

FIONA MA, CPA, CHAIR  
State Treasurer

BETTY YEE  
State Controller

JOE STEPHENSHAW  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
Nancee Robles

August 22, 2022

Esther Barron  
San Marcos Family Housing  
13520 Evening Creek Dr. North, Suite 160  
San Diego, CA 92128

E-mail: [esther@affirmedhousing.com](mailto:esther@affirmedhousing.com)  
[katelyn@compassfah.org](mailto:katelyn@compassfah.org)

**RE: CA-22-089 / Estrella**

Dear Ms. Barron:

This letter is in response to the second appeal letter received on August 15, 2022, of the California Tax Credit Allocation Committee (“CTCAC”) final tie breaker reduction for the above referenced project. CTCAC reduced the final tie breaker score from 74.218% to 67.984% for the City of San Marcos existing loan because the project is an existing tax credit project (CA-97-954) where that loan was not funded at least 30 years prior to the application filing deadline as required by CTCAC Regulation Section 10325(c)(9)(A)(i).

### Final Tie Breaker Score

The appeal letter cited CTCAC Regulation Section 10325(c)(9)(A)(i) stating the exclusion applies to acquisition/rehabilitation projects and that the subject project is a demolition/new construction of an existing CTCAC project that will add 66 additional homes, that Estrella is not an acquisition/rehabilitation transaction, but a demolition. You then cite the CDLAC definition of New Construction and emphasize the State’s prioritization of new construction projects to support new affordable homes. The CTCAC regulations, however, do not make mention, nor do they point, to the CDLAC definition or requirements.

The section that describes the public funds, however, CTCAC Regulation Section 10325(c)(9)(A)(i), calls out the types of public funds considered. It does not specifically apply to JUST acquisition/rehabilitation projects. That section *includes* existing public debt or subsidized debt from an acquisition/rehabilitation project as part of a list of eligible items considered public funds. The

lone exception, of course, for all project types is “*except that outstanding principal balances for projects subject to an existing CTCAC regulatory agreement shall not be considered public funds if such loans were funded less than 30 years prior to the application deadline.*” The exception describes the existing City of San Marcos loan.

Following review of the second appeal letter, the application, and CTCAC regulations, I concur with staff’s exclusion, and the first-round appeal conclusion of the City of San Marcos existing loan for the reasons stated in the original point letter. Despite the construction type, the project (CA-97-954) is currently subject to an existing CTCAC regulatory agreement, precluding the City of San Marcos existing loan from being included calculation of the final tie breaker score. As a result, the appeal is not granted.

Please feel free to contact Gabrielle Stevenson at [gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov) should you have any questions or concerns. If you wish to appeal this decision relating to the tiebreaker reduction to the Committee, you may submit a final written appeal (please email that to [gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov)), along with a \$500 appeal fee, that must be received by CTCAC no later than 5:00 pm on August 27, 2022. Please address any written appeal to CTCAC’s mailing address, and staff will distribute it to the Committee for consideration at the next CTCAC meeting.

Sincerely,



Nancee Robles  
CTCAC Executive Director

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Estrella, located at 604 W. Richmar Avenue in San Marcos, requested and is being recommended for a reservation of \$2,354,865 in annual federal tax credits to finance the new construction of 94 units of housing serving families with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by Affirmed Housing Group, Inc and will be located in Senate District 38 and Assembly District 75.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-22-089

**Project Name** Estrella

Site Address: 604 W. Richmar Avenue  
San Marcos, CA 92069 County: San Diego

Census Tract: 200.210

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,354,865	\$0
Recommended:	\$2,354,865	\$0

**Applicant Information**

Applicant: San Marcos Family Housing, L.P.  
Contact: Esther Barron  
Address: 13520 Evening Creek Dr. North, Suite 160  
San Diego, CA 92128  
Phone: (858) 679-2828  
Email: esther@affirmedhousing.com

General Partner(s) / Principal Owner(s): AHG Estrella, LLC  
CFAH Housing, LLC

General Partner Type: Joint Venture

Parent Company(ies): Affirmed Housing  
Compass for Affordable Housing

Developer: Affirmed Housing Group, Inc

Investor/Consultant: WNC

Management Agent(s): Solari Enterprises, Inc.

**Project Information**

Construction Type: New Construction

Total # Residential Buildings: 4

Total # of Units: 96

No. & % of Tax Credit Units: 94 100%

Federal Set-Aside Elected: 40%/60% Average Income

Federal Subsidy: HOME / HUD Section 8 Project-based Vouchers (24 Units - 25%)

**Information**

Set-Aside: N/A  
Housing Type: Large Family  
Geographic Area: San Diego County  
CTCAC Project Analyst: Jonghyun(Tommy) Shim

**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:	25	25%
At or Below 40% AMI:	10	10%
At or Below 50% AMI:	14	10%
At or Below 60% AMI:	45	45%

**Unit Mix**

46 1-Bedroom Units
24 2-Bedroom Units
<u>26 3-Bedroom Units</u>
96 Total Units

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
11 1 Bedroom	30%	\$732
6 1 Bedroom	40%	\$976
3 1 Bedroom	50%	\$1,220
7 1 Bedroom	50%	\$1,220
19 1 Bedroom	80%	\$1,952
6 2 Bedrooms	30%	\$878
1 2 Bedrooms	40%	\$1,171
17 2 Bedrooms	80%	\$2,342
7 3 Bedrooms	30%	\$1,015
3 3 Bedrooms	40%	\$1,353
4 3 Bedrooms	50%	\$1,691
1 3 Bedrooms	30%	\$1,015
9 3 Bedrooms	80%	\$2,707
2 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$6,016,278
Construction Costs	\$28,800,000
Rehabilitation Costs	\$0
Construction Contingency	\$2,391,572
Relocation	\$3,445,000
Architectural/Engineering	\$1,519,594
Const. Interest, Perm. Financing	\$2,251,000
Legal Fees	\$320,000
Reserves	\$488,000
Other Costs	\$3,475,847
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$50,907,291</b>

**Residential**

Construction Cost Per Square Foot:	\$372
Per Unit Cost:	\$530,284
True Cash Per Unit Cost*:	\$530,284

**Construction Financing**

Source	Amount
JPMorgan Chase Bank, N.A.	\$31,256,316
City of San Marcos - Roll Over	\$2,580,000
Accrued Interest	\$2,746,572
City of San Marcos - Predevelopment	\$550,000
City of San Marcos	\$7,000,000
Tax Credit Equity	\$6,774,403

**Permanent Financing**

Source	Amount
JPMorgan Chase Bank, N.A.	\$14,872,110
City of San Marcos - Roll Over	\$2,580,000
Accrued Interest	\$2,746,572
City of San Marcos - Predevelopment	\$550,000
City of San Marcos	\$7,000,000
County of San Diego - HOME	\$2,643,026
Tax Credit Equity	\$20,515,583
<b>TOTAL</b>	<b>\$50,907,291</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$26,165,166
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$26,165,166
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,354,865
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	WNC
Federal Tax Credit Factor:	\$0.87120

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**

Self-Score Final:	74.218%
CTCAC Final:	67.984%

**Significant Information / Additional Conditions**

This project is an existing tax credit project, Mariposa Apartments (CA-97-954) with a total of 70 units that is divided into two separate parcels. Estrella (phase II) will demolish the remaining 30 existing units, 40 units have already been demolished in Phase I (Alora CA-20-186). Once the last 30 units are demolished in Phase II (Estrella), 96 new units will be constructed resulting in a net gain of 66 new affordable units.

At the time of Estrella construction closing, there will be termination of the existing CTCAC regulatory agreement (CA-97-954) as the remaining of 30 units and 4 buildings being demolished. When Estrella (Phase II) is placed in service, a CTCAC regulatory agreement will be terminated. There will be no grandfathering of tenants relocated from Mariposa Apartments, as CA-22-089 is a separate new construction project. If existing tenants return to the newly constructed Alora, they must be income qualified at the time of their return.



This project involves an existing tax credit project (CA-97-954) that is being demolished. It is divided into Phase I (Alora CA-20-186), and Phase II (Estrella CA-22-089). This project is occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from setting aside a Short Term Work Capitalized Replacement Reserve that is otherwise required.

The applicant has requested the use of a CUAC utility allowance. CTCAC staff is in the process of reviewing the CUAC documentation for this project. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

Staff noted that 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, City of San Marcos, has completed a site review of this project and strongly 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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
Negative Points		0	0
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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 1 mile of public library	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within ½ mile of a public middle school	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
Highest or High Resources Area	8	8	8
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**



## **Exhibit A – Item No. 5: North Housing PSH I (CA-22-085)**

Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of North Housing PSH I (CA-22-085) affecting the 2022 Second Round Application for Reservation of Federal 9% and State LIHTCs in the East Bay Region.



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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**MEMBERS**  
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State Treasurer

BETTY YEE  
State Controller

KEELY MARTIN BOSLER  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
NANCEE ROBLES

July 25, 2022

Vanessa Cooper  
Island City Development  
701 Atlantic Avenue  
Alameda, CA 94501

Email: [vcooper@alamedahsg.org](mailto:vcooper@alamedahsg.org)

**RE: CA-22-085 / North Housing PSH I**

Dear Vanessa Cooper,

Following your submission for the California Tax Credit Allocation Committee (CTCAC) second 2022 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comments. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

	<b><u>Points Requested</u></b>	<b><u>Points Awarded</u></b>
1. General Partner Experience	7	7
2. Management Experience	3	3
3. Housing Needs	10	10
4. Site Amenities	15	15
5. Service Amenities	10	10
6. Lowest Income	52	52
7. Readiness to Proceed	10	0
8. Miscellaneous Federal and State Policies	2	2
<b>TOTAL</b>	<b>109</b>	<b>99</b>

CTCAC staff reduced the Readiness to Proceed point category by ten (10) points. The City of Alameda loans, totaling \$1,261,000, states that they are a conditional commitment. The home loan amount of \$115,000 is subject to final approval from the county and HUD; the CDBG loan of \$321,000 is subject to final approval from the county and HUD; the Permanent Local Housing Allocation loan of \$450,000 is subject to final approval from the State of California. Furthermore, the commitment totaling \$1,261,000 is conditioned on HUD's approval of the City's "Action Plan" for fiscal year 2022-23. As a result, the project does not have an enforceable commitment for all construction financing as defined in CTCAC Regulation Section 10325(f)(3).

In addition, CTCAC staff noted that the letter from the Alameda Affordable Housing Corp (AAHC) states that they will "conditionally commit" the \$10,000,000 in loans for phase one and phase two of this project; it is contingent on AAHC being awarded LHTF Program funds. As a result, the project does not have an enforceable commitment for all construction financing as defined in CTCAC Regulation Section 10325(f)(3).

CTCAC has calculated your Final Tie Breaker score and the score is **45.647%**.

In the application, the Final Tie Breaker self-score is 62.097%. CTCAC staff reduced the public funds numerator by the above-mentioned loans in the amount of \$1,261,000 and \$5,000,000 from the City of Alameda and AAHC, respectively. The commitment letters from these sources are not a commitment, as stated above.

In addition, the Final Tie Breaker was adjusted for ineligible off-site costs. For purposes of the Final Tie Breaker, CTCAC views all funds as fungible and treats all off-site costs as paid for with public funds. Under CTCAC Regulation Section 10325(c)(9)(A), only a narrow type of off-site costs for curbs, sidewalks, gutters, and utility connections immediately bordering the property qualify as eligible costs paid by public funds in the Final Tie Breaker. CTCAC staff excluded the ineligible off-site costs, in the amount of \$411,231 from the soft financing numerator and total residential project cost denominators of the final tie breaker calculation. The off-site description in Tab 12 did not confirm if the off-sites were immediately bordering the project. In addition, the Certified Public Accountant certification provided in Tab 19 described those costs as "improvements to roads, which contradicts the applicant's off-site description and the off-site cost estimate provided from J.H. Fitzmaurice, Inc. CTCAC staff was unable to confirm if the \$411,231 off-site costs consists solely of curbs, sidewalks, gutters, or utility connections immediately bordering the property and as a result the amount was removed from the Final Tie Breaker score.

You may request further clarification about the point reductions by contacting Nicholas White at [nicholas.white@treasurer.ca.gov](mailto:nicholas.white@treasurer.ca.gov). If you would like to discuss the Final Tie Breaker scoring informally, please contact Tiffani Negrete at [tiffani.negrete@treasurer.ca.gov](mailto:tiffani.negrete@treasurer.ca.gov). If you would like to formally appeal staff's scoring, you must do so in writing, and it must be received by CTCAC no later than August 1, 2022. Your appeal must be sent via email to Anthony Zeto, Deputy Director, at [anthony.zeto@treasurer.ca.gov](mailto:anthony.zeto@treasurer.ca.gov) and should specifically identify the grounds for the appeal based on the existing documentation submitted in your originally filed application. No fee is required for this appeal. You may not appeal any other applicant's score.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects' scoring letters since individual letters will be sent later as

the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact Nicholas White at [nicholas.white@treasurer.ca.gov](mailto:nicholas.white@treasurer.ca.gov) **after** the final awards have been made.

We appreciate your interest in the Low-Income Housing Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,

A handwritten signature in blue ink, appearing to read "Timothy Handy", is written over a light blue circular stamp.

Timothy Handy  
Development Program Manager



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

---

915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

July 25, 2022

Vanessa Cooper  
Island City Development  
701 Atlantic Avenue  
Alameda, CA 94501

E-mail: [vcooper@alamedahsg.org](mailto:vcooper@alamedahsg.org)

**RE: CA-22-085/ North Housing PSH I**

Dear Vanessa Cooper,

The California Tax Credit Allocation Committee (CTCAC) has determined the project as presented in the application does not meet the requirement outlined in CTCAC Regulation Section 10325(f)(8). CTCAC staff noted the letter regarding the City of Alameda loans, totaling \$1,261,000, states that they are a conditional commitment. The home loan amount of \$115,000 is subject to final approval from the county and HUD; the CDBG loan of \$321,000 is subject to final approval from the county and HUD; the Permanent Local Housing Allocation loan of \$450,000 is subject to final approval from the State of California. Furthermore, the commitment totaling \$1,261,000 is conditioned on HUD's approval of the City's "Action Plan" for fiscal year 2022-23. Based on CTCAC Regulation Section 10325(f)(8), no further review of the project will be performed, nor will it be considered for tax credits in this cycle. The review of the application may have determined other application deficiencies not included below.

If you would like to formally appeal staff's determination, you must do so in writing, and it must be received by CTCAC no later than August 1, 2022. Your appeal must be sent via email to Anthony Zeto, Deputy Director, at [anthony.zeto@treasurer.ca.gov](mailto:anthony.zeto@treasurer.ca.gov) and should specifically identify the grounds for the appeal based on the existing documentation submitted in your originally filed application. No fee is required for this appeal.

Sincerely,

A handwritten signature in blue ink that reads "Timothy Handy" with a stylized flourish at the end.

Timothy Handy  
Development Program Manager

**MEMBERS**

FIONA MA, CPA, CHAIR  
State Treasurer

BETTY YEE  
State Controller

KEELY MARTIN BOSLER  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
NANCEE ROBLES



ISLAND CITY DEVELOPMENT  
701 Atlantic Avenue  
Alameda, CA 94501

August 1, 2022

Mr. Anthony Zeto  
CTCAC  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814

Email: [Timothy.Handy@treasurer.ca.gov](mailto:Timothy.Handy@treasurer.ca.gov); [Carmen.Doonan@treasurer.ca.gov](mailto:Carmen.Doonan@treasurer.ca.gov);  
[Gabrielle.Stevenson@treasurer.ca.gov](mailto:Gabrielle.Stevenson@treasurer.ca.gov); [Anthony.ZETO@treasurer.ca.gov](mailto:Anthony.ZETO@treasurer.ca.gov);  
[Janice.Corbin@treasurer.ca.gov](mailto:Janice.Corbin@treasurer.ca.gov)

Re: CA-22-085/North Housing PSH I

Dear Mr. Zeto:

We have received two TCAC letters of July 25, 2022 via email and wish to formally appeal the staff's scoring and reduction of the tiebreaker for this project.

1. **Formal appeal of adjustment to not include funding of \$1,261,000 from the City of Alameda CDBG, HOME, PLHA and AHUF for Readiness to Proceed points and tiebreaker**
  - Please see the City of Alameda's clarification of their letter of June 22, 2022, attached, more clearly delineates the status of the funds. The HOME and CDBG funds are only conditional for environmental and subsidy layering review, which is typical and cannot be completed until all funds, including tax credits, have been awarded. These funds should be deemed committed.
  - The City of Alameda administers HOME funds within its jurisdiction via a contract from the County of Alameda <https://www.acgov.org/cda/hcd/rhd/homefunding.htm>. The County maintains oversight but no specific approval, and the City is responsible for RFPs, awards, and administration. The award was made by City Council and the award was submitted in its HUD Action Plan. The HUD Action plan is deemed approved unless HUD responds in the negative and HUD has never done so previously in our past experience. This funding should be deemed committed.





- The City's CDBG funds award was made by City Council and is subject to the same HUD Action plan submittal. This funding should be deemed committed.
- The Annual Action Plan described in the City of Alameda letter of June 22, 2022 is defined below. It is only for federal funding.

The **Consolidated Plan** is designed to help states and local jurisdictions to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions. The consolidated planning process serves as the framework for a community-wide dialogue to identify housing and community development priorities that align and focus funding from the CPD formula block grant programs: [Community Development Block Grant \(CDBG\) Program](#), [HOME Investment Partnerships \(HOME\) Program](#), [Emergency Solutions Grants \(ESG\) Program](#), and [Housing Opportunities for Persons With AIDS \(HOPWA\) Program](#).

The Consolidated Plan is carried out through **Annual Action Plans**, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan. Grantees report on accomplishments and progress toward Consolidated Plan goals in the **Consolidated Annual Performance and Evaluation Report (CAPER)**.

- PLHA is State of California funding per SB 2 The Jobs and Housing Act. AHUF is City of Alameda funding per the 1989 Affordable Housing Ordinance that collects in-lieu fees. PLHA and AHUF are not subject to the HUD Action Plan.
  - Per the PLHA Program 2021 Formula Component NOFA (attached), the PLHA funds are only subject to a request, which does not require approval, as they are part of the noncompetitive 'formula grant' of the authorizing legislation per SB-2 Building Homes and Jobs Act, 50470. The City of Alameda has passed its threshold requirements in 2020 (see attached Awardee List as of 2/3/2021), and thus only has to submit their annual award request and self-certify that they are in compliance. These funds should be deemed committed.
  - Please note that the AHUF funds in the City of Alameda letter are not conditioned on HUD or County action. They are local affordable housing in-lieu fees. Therefore, they are not subject to the City Action Plan which is only for HUD funding. They are only subject to the usual funding requirements such as satisfactory completion of legal documents and receipt of all other project funding. These funds should be deemed committed.
  - We would also respectfully note that the development could defer additional developer fee if needed to cover one of these sources during construction or permanent phases.
2. **Formal appeal of adjustment to not include funding of \$5,000,000 for Readiness to Proceed points and tiebreaker.**
- Tab 2 and Tab 15 AHA Financing Commitment contains a letter from the Housing Authority of the City of Alameda dated June 30, 2022 including Housing Trust Funds, that

8/1/22

Island City Development

Page 3 of 3

is an enforceable commitment of \$8,660,000. The State Local Housing Trust Funds match were committed in December 2021, which is how the AHA could remove the contingent nature of the letter dated July 21, 2021 (Tab 15 – AAHTF Loan Fund Commitment). In other words, it updated its older letter. The SLHTF funds do not go directly to the project – they go to the Housing Authority, via its wholly owned affiliate, the Alameda Affordable Housing Corporation. We include the SLHTF award to AAHC as an attachment. The full funds of \$5,000,000 should be deemed committed.

### 3. Formal appeal of exclusion of off-site cost deemed ineligible

- The TCAC letter of 7/25/22 states that there is only a ‘narrow type of offsite costs for curbs, sidewalks, gutters, and utility connections.... qualify as eligible costs” Tab 12, page 2, says:

- Offsite improvements include utility connections, landscaping, and accessible sidewalks which will serve the proposed development. These costs are qualified project specific costs per Reg 10325.c.9.A, required by the Conditions of Approval, and are included in basis. There are no other off-site costs. The cost is \$411,230.

It describes exactly the narrow type of offsite uses and describes them as ‘qualified costs per Reg 10325.c.9.A.’ certifying that they border the project. On page 3 of Tab 12, the detailed description of the offsites shows ac paving and striping of \$42,720 and \$4,200 respectively, which was an error, as they do not meet the definition, although they do border the project. However, the other costs of \$364,311 are qualified costs and should not be deducted from the public funds section of the tie breaker calculation.

- The CMPR opinion letter is solely to define eligible basis for tax purposes and was not intended to define eligibility for other TCAC guidelines.

We thank you for your consideration of these clarifications of our application and are happy to discuss with you as needed.

Sincerely,

DocuSigned by:

*Vanessa Cooper*

5AFA57239EC2484...  
VANESSA COOPER

President

### Attachments

- 1.City of Alameda clarification
- 2.PLHA Program 2021 Formula Component NOFA
- 3.PLHA Awardee List as of 2\_3\_2022
- 4.SLHTF Award to AAHC 12\_23\_21



City of Alameda • California

July 28, 2022

Mr. Anthony Zeto  
CTCAC  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814

Re: CA-22-085/North Housing PSH I

Dear Mr. Zeto:

We have been asked to clarify our letter of June 22, 2022 regarding the North Housing PSH I development. In particular, this letter clarifies the conditions of the approvals.

- 1) The **HOME Investment Partnerships Program (HOME) loan** is conditional on Department of Housing and Urban Development (HUD) acceptance. The Action Plan and the proposed activities contained therein are deemed to be accepted if HUD has not indicated otherwise 45 days from the submission date. The Action Plan was submitted to HUD on July 13, 2022. Based on past experience, we do not expect that HUD will decline the submission. There is no further City Council or County action needed for this funding.
- 2) The **Community Development Block Grant (CDBG)** is conditional on HUD acceptance. The Action Plan and the proposed activities contained therein are deemed to be accepted if HUD has not indicated otherwise 45 days from the submission date. The Action Plan was submitted to HUD on July 13, 2022. Based on past experience, we do not expect that HUD will decline the submission. There is no further City Council or County action needed for this funding.
- 3) The **Permanent Local Housing Allocation (PLHA)** is conditional on receiving all other funding, including tax credits.
- 4) The **Affordable Housing Unit/Fee (AHUF)** are local funds that are in hand and conditional on receiving all other funding, including tax credits.

Please let me know if I can be of further assistance in this matter.

Sincerely,

  
Lisa Fitts

Interim Base Reuse Manager


Community Development Department  
950 West Mall Square, Suite 205  
Alameda, CA 94501-4477

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF STATE FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670  
Sacramento, CA 95833  
(916) 263-2771  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



May 3, 2021

**MEMORANDUM FOR:** All Potential Applicants 

**FROM:** Jennifer Seeger, Deputy Director  
Division of State Financial Assistance

**SUBJECT:** Permanent Local Housing Allocation Program  
2021 Entitlement and Non-Entitlement Local government  
Formula Component - Notice of Funding Availability

The California Department of Housing and Community Development (Department) is pleased to announce the release of the 2021 Entitlement and Non-Entitlement Local government formula component Notice of Funding Availability (NOFA) for approximately **\$304 million** in calendar year 2020 funds plus an additional **\$38.4 million** in remaining calendar year 2019 funds for the Permanent Local Housing Allocation (PLHA) program. This funding provides formula grants, as listed in Appendix A, to Entitlement and Non-Entitlement Local governments in California for housing-related projects and programs that assist in addressing unmet housing needs of their local communities.

**Please note: As this is the second allocation year for funds collected pursuant to SB 2 (Chapter 364, Statutes 2017), jurisdictions that have previously applied and received an award of 2019 funds are not required to resubmit all threshold requirements, but rather must demonstrate all threshold requirements continue to be met as noted in Part II, Section G of this NOFA. Jurisdictions that have not previously applied, must meet all threshold requirements as outlined in Part II, Section F of the attached NOFA.**

The submittal portal will be available and open for applications beginning **May 6, 2021**. Personal deliveries will not be accepted. No facsimiles, incomplete applications, application revisions, or walk-in application packages will be accepted. Applications will be accepted through **December 31, 2021** and must be submitted electronically through the Department's website. Requirements for uploading the Application Workbook and required supporting documentation, including naming conventions, are described in the application instructions available at <http://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>.

The PLHA application forms, workshop details, and Guidelines are posted on the Department's [website](#). To receive information on workshops and other updates, please subscribe to the PLHA listserv by clicking on "Email Sign up" on the Department's [website](#). If you have any further questions, please contact [PLHA@hcd.ca.gov](mailto:PLHA@hcd.ca.gov).

Attachment

# **Permanent Local Housing Allocation Program**

## **2021 Formula Component Notice of Funding Availability for Entitlement and Non-Entitlement Local governments**



**Gavin Newsom, Governor  
State of California**

**Lourdes M. Castro Ramírez, Secretary  
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director  
California Department of Housing and Community Development**

2020 West El Camino Avenue, Suite 500, Sacramento, CA 95833  
Telephone: (916) 263-2771

Website: <http://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>

Email: [PLHA@hcd.ca.gov](mailto:PLHA@hcd.ca.gov)

**May 3, 2021**

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**Permanent Local Housing Allocation  
2021 Entitlement and Non-Entitlement Local Government Formula Component  
Notice of Funding Availability**

**I. Overview**

**A. Notice of Funding Availability**

The California Department of Housing and Community Development (Department) is announcing the release of the 2021 Permanent Local Housing Allocation (PLHA) program formula component Notice of Funding Availability (NOFA) for approximately **\$304 million** in calendar year 2020 funds and an additional **\$38.4 million** in calendar year 2019 funds for Entitlement and Non-Entitlement Local governments. This NOFA is funded from moneys deposited in the Building Homes and Jobs Trust Fund (Fund) in calendar year 2020 and includes any remaining unawarded funds not requested for calendar year 2019.

Funding for this NOFA is provided pursuant to Senate Bill 2 (SB 2) (Chapter 364, Statutes of 2017). SB 2 established the Fund and authorizes the Department to allocate 70 percent of moneys collected and deposited in the Fund, beginning in calendar year 2019, to Local governments for eligible housing and homelessness activities. The intent of the bill is to provide a permanent, on-going source of funding to Local governments for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities.

This NOFA outlines threshold and application requirements for Entitlement Local governments and Non-Entitlement Local governments as defined in Guidelines Section 101. Entitlement Local governments are metropolitan cities and urban counties that received a Community Development Block Grant (CDBG) grant for fiscal year 2017 pursuant to the federal formula specified in 42 U.S. Code, Section 5306.

Please note that this NOFA has two separate threshold requirements sections:

- Local Governments that received an award under the 2020 Formula Component NOFA are subject to the threshold requirements outlined in **Part II, Section F**
- Local Governments that have not previously applied for and received a PLHA award must meet the threshold requirements outlined in **Part II, Section G**

In 2021, the Department will issue two separate NOFAs to award the PLHA funds:

1. Formula Component NOFA for Entitlement and Non-Entitlement Local governments;  
and
2. Non-Entitlement Local government Competitive NOFA (anticipated in May 2021).

## B. Timeline

<b>NOFA Release Date</b>	May 3, 2021
<b>Application Submittal</b>	May 6, 2021 - December 31, 2021
<b>Award Announcement</b>	Ongoing through February 2022

## C. Authorizing Legislation and Regulations

SB 2 (Chapter 364, Statutes of 2017) established the PLHA program. The program operates under the requirements of Health and Safety Code (HSC), Part 2 of Division 31, Chapter 2.5 (commencing with Section 50470).

Section 50470 (b)(2)(B)(i) of the HSC authorizes the Department to allocate 70 percent of the moneys collected and deposited in the Fund, beginning in calendar year 2019, for the PLHA program.

Section 50470 (b)(2)(B)(i)(I) of the HSC requires the Department to allocate 90 percent of PLHA funds based on the federal CDBG formula specified in 42 U.S. Code, Section 5306, except that the portion allocated to Non-Entitlement Local governments is required to be distributed through a competitive grant program for Non-Entitlement Local governments.

Section 50470 (b)(2)(B)(i)(II) of the HSC requires the Department to allocate the remaining 10 percent of PLHA funds equitably to Non-Entitlement Local governments.

Section 50470 (d) authorizes the Department to adopt Guidelines to implement the PLHA program, not subject to the rulemaking provisions of the California Administrative Procedure Act.

This NOFA governs the administration of funding from the Fund (created by Section 50470, subdivision (a)(1) and appropriated by item 2240-103-3317 in the Budget Act of 2019) and made available under the PLHA program.

Capitalized terms not otherwise defined in this NOFA shall have the meanings set forth in Guidelines Section 101.

## II. Program requirements

The following is provided as a summary for the allocation of the PLHA funds to Entitlement and Non-Entitlement Local governments and is not to be considered a complete representation of the eligibility, threshold, or other requirements, terms and conditions.

### A. Eligible Applicants

1. An Applicant must be an Entitlement Local government, a Non-Entitlement Local government, or a Local or Regional Housing Trust Fund delegated by the Local government pursuant to Guidelines Section 300. **Appendix A** contains the list of eligible Applicants.



- 2. Delegation.** An eligible Applicant may delegate their entire formula allocation to either another Local government or to a Local or Regional Housing Trust Fund. A Local government that delegates their formula allocation to another Local government or to a Housing Trust Fund must enter into a legally binding agreement with the other Local government or Housing Trust Fund. The delegate must submit the PLHA application on behalf of the delegator and wholly administer the entire formula component of PLHA funds on behalf of the delegator for the full term of the PLHA Plan, as set forth in Guidelines Section 300(c).

Upon delegating its entire formula allocation to another Local government or to a Local or Regional Housing Trust Fund, the Local government that delegated their allocation is no longer involved in the PLHA application or administration of the PLHA grant for the full term of the PLHA Plan, which extends through 2023. The delegated Local government or Trust Fund assumes full responsibility for compliance with statute and for meeting all of the Department's requirements, including any penalties for non-compliance.

A partial funding delegation is not permitted under the delegation authority. However, a Local government can subgrant a **portion** of its allocation to another entity, as permitted by Guidelines Section 302(c)(3). When a Local government subgrants a portion of its allocation to another entity, the Local government remains fully accountable and responsible for compliance with statute and for meeting all of the Department's requirements, including any penalties for non-compliance.

## **B. Eligible Activities**

Pursuant to Guidelines Section 301(a), the PLHA funds allocated to eligible Applicants must be used to carry out one or more of the eligible activities listed below. All services must be provided within the county containing the Local government recipient.

1. The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, or rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households (up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas, see appendix B for a list of High-cost areas ), including necessary Operating subsidies.

Note: Predevelopment and/or acquisition must result in the development, rehabilitation, or preservation of housing, as otherwise there is no actual housing outcome of the predevelopment or acquisition assistance.

2. The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days. See Appendix B for a list of High-cost areas in California.

Note: Predevelopment and/or acquisition must result in the development, rehabilitation, or preservation of Affordable rental and ownership housing, as

otherwise there is no actual housing outcome of the predevelopment or acquisition assistance.

3. Matching portions of funds placed into Local or Regional Housing Trust Funds. Matching funds must be utilized as required by PLHA guidelines Section 301(a).
4. Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176. Matching funds must be utilized as required by PLHA guidelines Section 301(a).
5. Capitalized Reserves for Services connected to the preservation and creation of new Permanent Supportive Housing.
6. Assisting persons who are experiencing or At risk of homelessness in conformance with [24 Code of Federal Regulations \(CFR Section 578.3\)](#), including
  - Rapid rehousing in conformance with federal rules contained in 24 CFR Section 576.104, except for legal services;
  - Rental assistance with a term of at least six (6) months (rental arrears is not eligible);
  - Street outreach, and other Supportive/case management services in conformance with federal rules contained in 24 CFR Section 576.101 that allow people to obtain and retain housing;
  - Operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
  - a. This Activity may include subawards to Administrative Entities as defined in HSC Section 50490(a)(1-3) that were awarded California Emergency Solutions and Housing (CESH) Program or Homeless Emergency Aid Program (HEAP) funds for rental assistance to continue assistance to these households.
  - b. Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with Welfare Institutions Code (WIC) Section 8255(b)(8). An Applicant allocated funds for the new construction, rehabilitation, and preservation of Permanent supportive housing shall incorporate the core components of Housing First, as provided in WIC Section 8255(b).
7. Accessibility modifications in Lower-income (up to 80 percent of AMI) Owner-occupied housing.
8. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
9. Homeownership opportunities, including, but not limited to, down payment assistance.



## DEPARTMENT OF HOUSING &amp; COMMUNITY DEVELOPMENT

## Permanent Local Housing Allocation (PLHA) Program

February 26, 2020

## Awardee List (as of 2/3/2021)

Applicant Name	Eligible Applicant Type	Local Government of PLHA Formula Allocation	*Activity No.	County	Approximate PLHA Formula Allocation Amount	Allowable Local Admin (5%)	Award Date	Awarded Amount
City and County of San Francisco	Entitlement	San Francisco	1	San Francisco	\$8,718,035	\$435,901	10/21/2020	\$8,718,035
City of Alameda	Entitlement	Alameda	1 and 6	Alameda	\$558,765	\$27,938	10/21/2020	\$558,765
City of Anaheim	Entitlement	Anaheim	1	Orange	\$2,155,285	\$107,764	10/21/2020	\$2,155,285
City of Bakersfield	Entitlement	Bakersfield	3	Kern	\$1,730,902	\$86,545	10/21/2020	\$1,730,902
City of Bellflower	Entitlement	Bellflower	6	Los Angeles	\$513,624	\$25,681	10/21/2020	\$513,624
City of Buena Park	Entitlement	Buena Park	6	Orange	\$369,242	\$18,462	10/21/2020	\$369,242
City of Burbank	Entitlement	Burbank	1, 2, 6, and 9	Los Angeles	\$477,182	\$23,859	10/21/2020	\$477,182
City of Camarillo	Entitlement	Camarillo	9	Ventura	\$135,354	\$6,767	10/21/2020	\$135,354
City of Chowchilla	Nonentitlement	Chowchilla	9	Madera	\$110,382	\$5,519	10/21/2020	\$110,382
City of Corona	Entitlement	Corona	6	Riverside	\$582,003	\$29,100	10/21/2020	\$582,003
City of Costa Mesa	Entitlement	Costa Mesa	6	Orange	\$528,581	\$26,429	10/21/2020	\$528,581
City of Delano	Entitlement	Delano City	6	Kern	\$325,124	\$16,256	10/21/2020	\$325,124
City of Dinuba	Nonentitlement	Dinuba	1	Tulare	\$148,291	\$7,414	10/21/2020	\$148,291
City of Exeter	Nonentitlement	Exeter	1	Tulare	\$97,819	\$4,890	10/21/2020	\$97,819
City of Fresno	Entitlement	Fresno	1, 2, and 9	Fresno	\$3,407,603	\$170,380	10/21/2020	\$3,407,603
City of Fullerton	Entitlement	Fullerton	6	Orange	\$688,452	\$34,422	10/21/2020	\$688,452
City of Huntington Beach	Entitlement	Huntington Beach	6	Orange	\$548,495	\$27,424	10/21/2020	\$548,495
City of La Habra	Entitlement	La Habra	6	Orange	\$388,867	\$19,443	10/21/2020	\$388,867
City of Lodi	Entitlement	Lodi	6	San Joaquin	\$336,265	\$16,813	10/21/2020	\$336,265
City of Long Beach	Entitlement	Long Beach	1	Los Angeles	\$2,926,784	\$146,339	10/21/2020	\$2,926,784
City of Marysville	Nonentitlement	Marysville	6	Yuba	\$110,382	\$5,519	10/21/2020	\$110,382
City of Monterey	Entitlement	Monterey	1 and 6	Monterey	\$116,419	\$5,820	10/21/2020	\$116,419
City of Napa	Entitlement	Napa City	2 and 6	Napa	\$318,210	\$15,910	10/21/2020	\$318,210
City of Oceanside	Entitlement	Oceanside	6	San Diego	\$649,151	\$32,457	10/21/2020	\$649,151
City of Ontario	Entitlement	Ontario	1, 5, 6, and 9	San Bernardino	\$920,018	\$46,000	10/21/2020	\$920,018
City of Orange	Entitlement	Orange	6	Orange	\$607,483	\$30,374	10/21/2020	\$607,483
City of Oxnard	Entitlement	Oxnard	1 and 6	Ventura	\$1,158,429	\$57,921	10/21/2020	\$1,158,429
City of Palm Desert	Entitlement	Palm Desert	6	Riverside	\$171,306	\$8,565	10/21/2020	\$171,306
City of Porterville	Entitlement	Porterville	6	Tulare	\$342,754	\$17,137	10/21/2020	\$342,754
City of Rancho Santa Margarita	Entitlement	Rancho Santa Margarita	6	Orange	\$101,396	\$5,069	10/21/2020	\$101,396
City of Redwood City	Entitlement	Redwood City	1 and 6	San Mateo	\$347,719	\$17,385	10/21/2020	\$347,719
City of Roseville	Entitlement	Roseville	6	Placer	\$313,366	\$15,668	10/21/2020	\$313,366
City of Roseville	Entitlement	Rocklin City	6	Placer	\$134,638	\$6,731	10/21/2020	\$134,638
City of Sacramento	Entitlement	Sacramento	1 and 9	Sacramento	\$2,357,067	\$117,853	10/21/2020	\$2,357,067
City of San Bernardino	Entitlement	San Bernardino	6	San Bernardino	\$1,622,027	\$81,101	10/21/2020	\$1,622,027
City of San Diego	Entitlement	San Diego	6	San Diego	\$5,790,183	\$289,509	10/21/2020	\$5,790,183
City of San Leandro	Entitlement	San Leandro	1	Alameda	\$349,960	\$17,498	10/21/2020	\$349,960
City of Santa Ana	Entitlement	Santa Ana	6	Orange	\$2,803,706	\$140,185	10/21/2020	\$2,803,706
City of Santa Cruz	Entitlement	Santa Cruz	1 and 3	Santa Cruz	\$264,744	\$13,237	10/21/2020	\$264,744
City of Santa Rosa	Entitlement	Santa Rosa	1	Sonoma	\$694,325	\$34,716	10/21/2020	\$694,325
City of South Gate	Entitlement	South Gate	2	Los Angeles	\$721,320	\$36,066	10/21/2020	\$721,320
City of Tulare	Entitlement	Tulare	1	Tulare	\$318,433	\$15,921	10/21/2020	\$318,433
City of Woodlake	Nonentitlement	City of Woodlake	8	Tulare	\$89,885	\$4,494	10/21/2020	\$89,885
County of El Dorado	Nonentitlement	El Dorado County	2, 6, and 9	El Dorado	\$479,995	\$23,999	10/21/2020	\$479,995
County of Humboldt	Nonentitlement	Humboldt County	1, 6, and 9	Humboldt	\$344,448	\$17,222	10/21/2020	\$344,448



## DEPARTMENT OF HOUSING &amp; COMMUNITY DEVELOPMENT

## Permanent Local Housing Allocation (PLHA) Program

February 26, 2020

Awardee List (as of 2/3/2021)

Applicant Name	Eligible Applicant Type	Local Government of PLHA Formula Allocation	*Activity No.	County	Approximate PLHA Formula Allocation Amount	Allowable Local Admin (5%)	Award Date	Awarded Amount
County of Marin	Entitlement	Marin County	3	Marin	\$725,571	\$36,278	10/21/2020	\$725,571
County of Mariposa	Nonentitlement	Mariposa County	1 and 2	Mariposa	\$128,455	\$6,422	10/21/2020	\$128,455
County of Orange	Entitlement	Orange County	6 and 7	Orange	\$1,272,164	\$63,608	10/21/2020	\$1,272,164
County of Placer	Nonentitlement	Placer County	1, 9	Placer	\$455,090	\$22,754	10/21/2020	\$455,090
County of San Bernardino	Entitlement	San Bernardino County	1, 5, 8, and 10	San Bernardino	\$3,459,141	\$172,957	10/21/2020	\$3,459,141
County of San Diego	Entitlement	San Diego County	1 and 2	San Diego	\$1,979,966	\$98,998	10/21/2020	\$1,979,966
County of Santa Barbara	Entitlement	Santa Barbara County	1, 2, 6, and 9	Santa Barbara	\$569,787	\$28,489	10/21/2020	\$569,787
County of Santa Barbara	Entitlement	Goleta	1, 2, 6, and 9	Santa Barbara	\$94,015	\$4,700	10/21/2020	\$94,015
County of Solano	Nonentitlement	Solano County	6 and 9	Solano	\$128,234	\$6,411	10/21/2020	\$128,234
County of Stanislaus	Entitlement	Stanislaus County	1, 2, 6, and 10	Stanislaus	\$1,154,982	\$57,749	10/21/2020	\$1,154,982
Fresno County	Entitlement	Fresno County	1	Fresno	\$1,643,348	\$82,167	10/21/2020	\$1,643,348
Glenn County	Nonentitlement	Glenn County	1 and 6	Glenn	\$106,856	\$5,342	10/21/2020	\$106,856
Glenn County	Nonentitlement	Willows	1 and 6	Glenn	\$93,631	\$4,681	10/21/2020	\$93,631
Glenn County	Nonentitlement	Orland	1 and 6	Glenn	\$92,529	\$4,626	10/21/2020	\$92,529
Los Angeles County	Entitlement	Los Angeles County	6	Los Angeles	\$11,025,126	\$551,256	10/21/2020	\$11,025,126
Merced County	Nonentitlement	Merced County	6	Merced	\$310,947	\$15,547	10/21/2020	\$310,947
Nevada County	Nonentitlement	Nevada County	3 and 6	Nevada	\$306,319	\$15,315	10/21/2020	\$306,319
Nevada County	Nonentitlement	Grass Valley	3 and 6	Nevada	\$135,508	\$6,775	10/21/2020	\$135,508
Nevada County	Nonentitlement	Nevada City	3 and 6	Nevada	\$78,865	\$3,943	10/21/2020	\$78,865
Plumas County	Nonentitlement	Plumas County	1, 5, and 6	Plumas	\$121,182	\$6,059	10/21/2020	\$121,182
Sonoma County	Entitlement	Sonoma County	1, 2, and 6	Sonoma	\$899,393	\$44,969	10/21/2020	\$899,393
Yuba County	Nonentitlement	Yuba County	2	Yuba	\$272,377	\$13,618	10/21/2020	\$272,377
City of Berkeley	Entitlement	Berkeley	1, 3, and 6	Alameda	\$1,293,584	\$64,679	10/21/2020	\$1,293,584
City of Irvine	Entitlement	Irvine	1 and 2	Orange	\$757,977	\$37,898	2/3/2021	\$757,977
City of Alhambra	Entitlement	Alhambra	1, 3, and 4	Los Angeles	\$465,628	\$23,281	2/3/2021	\$465,628
City of Antioch	Entitlement	Antioch	2, 6, and 9	Contra Costa	\$394,235	\$19,711	2/3/2021	\$394,235
City of Chula Vista	Entitlement	Chula Vista	1, 2, and 6	San Diego	\$1,059,483	\$52,974	2/3/2021	\$1,059,483
City of Daly City	Entitlement	Daly City	1	San Mateo	\$511,821	\$25,591	2/3/2021	\$511,821
City of Davis	Entitlement	City of Davis	1, 2, 6, and 8	Yolo	\$302,924	\$15,146	2/3/2021	\$302,924
City of El Monte	Entitlement	El Monte	2 and 9	Los Angeles	\$847,292	\$42,364	2/3/2021	\$847,292
City of Fairfield	Entitlement	Fairfield	6	Solano	\$390,910	\$19,545	2/3/2021	\$390,910
City of Farmersville	Nonentitlement	Farmersville	1	Tulare	\$98,260	\$4,913	2/3/2021	\$98,260
City of Fontana	Entitlement	Fontana	2, 6, 8, and 9	San Bernardino	\$981,122	\$49,056	2/3/2021	\$981,122
City of Fremont	Entitlement	Fremont	6	Alameda	\$641,160	\$32,058	2/3/2021	\$641,160
City of Garden Grove	Entitlement	Garden Grove	4, 6, and 9	Orange	\$994,343	\$49,717	2/3/2021	\$994,343
City of Grover Beach	Nonentitlement	Grover Beach	3	San Luis Obispo	\$121,182	\$6,059	2/3/2021	\$121,182
City of Hanford	Entitlement	Hanford	1 and 9	Kings	\$295,468	\$14,773	2/3/2021	\$295,468
City of Hayward	Entitlement	Hayward	6	Alameda	\$651,735	\$32,586	2/3/2021	\$651,735
City of King	Nonentitlement	King City	1, 3, and 6	Monterey	\$134,185	\$6,709	2/3/2021	\$134,185
City of La Mesa	Entitlement	La Mesa	6	San Diego	\$188,809	\$9,440	2/3/2021	\$188,809
City of Lancaster	Entitlement	Lancaster	1, 2, and 9	Los Angeles	\$694,855	\$34,742	2/3/2021	\$694,855
City of Lindsay	Nonentitlement	Lindsay	1	Tulare	\$117,214	\$5,860	2/3/2021	\$117,214
City of Los Angeles	Entitlement	Los Angeles	1, 6, and 9	Los Angeles	\$26,219,573	\$1,310,978	2/3/2021	\$26,219,573
City of Lynnwood	Entitlement	Lynnwood	6	Los Angeles	\$631,387	\$31,569	2/3/2021	\$631,387
City of Menifee	Entitlement	Menifee	9	Riverside	\$251,604	\$12,580	2/3/2021	\$251,604



DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT  
 Permanent Local Housing Allocation (PLHA) Program  
 February 26, 2020  
 Awardee List (as of 2/3/2021)

Applicant Name	Eligible Applicant Type	Local Government of PLHA Formula Allocation	*Activity No.	County	Approximate PLHA Formula Allocation Amount	Allowable Local Admin (5%)	Award Date	Awarded Amount
City of Mission Viejo	Entitlement	Mission Viejo	6	Orange	\$206,683	\$10,334	2/3/2021	\$206,683
City of Modesto	Entitlement	Modesto	1 and 6	Stanislaus	\$969,747	\$48,487	2/3/2021	\$969,747
City of Oroville	Nonentitlement	Oroville	2	Butte	\$137,051	\$6,852	2/3/2021	\$137,051
City of Palmdale	Entitlement	Palmdale	1, 2, 6, 7, and 9	Los Angeles	\$779,064	\$38,953	2/3/2021	\$779,064
City of Pasadena	Entitlement	Pasadena	1, 2, 6, and 9	Los Angeles	\$936,076	\$46,803	2/3/2021	\$936,076
City of Perris	Entitlement	Perris City	1	Riverside	\$466,532	\$23,326	2/3/2021	\$466,532
City of Placentia	Entitlement	Placentia	6	Orange	\$214,774	\$10,738	2/3/2021	\$214,774
City of Pomona	Entitlement	Pomona	2, 9	Los Angeles	\$1,068,445	\$53,422	2/3/2021	\$1,068,445
City of Redding	Entitlement	City of Redding	1, 2, and 6	Shasta	\$336,814	\$16,840	2/3/2021	\$336,814
City of Riverbank	Nonentitlement	Riverbank	2, 6, 7, 8, and 9	Stanislaus	\$122,063	\$6,103	2/3/2021	\$122,063
City of Riverside	Entitlement	Riverside	1 and 6	Riverside	\$1,622,125	\$81,106	2/3/2021	\$1,622,125
City of Salinas	Entitlement	Salinas	1, 2, 3, and 6	Monterey	\$1,006,847	\$50,342	2/3/2021	\$1,006,847
City of San Buenaventura	Entitlement	San Buenaventura	1, 6, and 9	Ventura	\$357,439	\$17,871	2/3/2021	\$357,439
City of San Jose	Entitlement	San Jose	6	Santa Clara	\$4,348,646	\$217,432	2/3/2021	\$4,348,646
City of San Mateo	Entitlement	San Mateo	1 and 6	San Mateo	\$341,894	\$17,094	2/3/2021	\$341,894
City of Santa Barbara	Entitlement	Santa Barbara	6	Santa Barbara	\$453,109	\$22,655	2/3/2021	\$453,109
City of Santa Monica	Entitlement	Santa Monica	1	Los Angeles	\$547,516	\$27,375	2/3/2021	\$547,516
City of Simi Valley	Entitlement	Simi Valley	6	Ventura	\$290,357	\$14,517	2/3/2021	\$290,357
City of South Lake Tahoe	Nonentitlement	South Lake Tahoe	9	El Dorado	\$165,703	\$8,285	2/3/2021	\$165,703
City of South San Francisco	Entitlement	South San Francisco	2 and 6	San Mateo	\$217,980	\$10,899	2/3/2021	\$217,980
City of Stockton	Entitlement	City of Stockton	1, 2, 3, and 9	San Joaquin	\$1,711,430	\$85,571	2/3/2021	\$1,711,430
City of Tustin	Entitlement	Tustin City	6	Organge	\$385,545	\$19,277	2/3/2021	\$385,545
City of Upland	Entitlement	City of Upland	1 and 6	San Bernardino	\$277,837	\$13,891	2/3/2021	\$277,837
City of Vallejo	Entitlement	Vallejo	1, 6, and 9	Solano	\$505,369	\$25,268	2/3/2021	\$505,369
City of Victorville	Entitlement	Victorville	6	San Bernardino	\$632,770	\$31,638	2/3/2021	\$632,770
City of Visalia	Entitlement	Visalia	6	Tulare	\$630,815	\$31,540	2/3/2021	\$630,815
City of Vista	Entitlement	Vista	6	San Diego	\$408,882	\$20,444	2/3/2021	\$408,882
City of Walnut Creek	Entitlement	Walnut Creek	6	Contra Costa	\$138,449	\$6,922	2/3/2021	\$138,449
City of Westminster	Entitlement	Westminster	6	Orange	\$510,577	\$25,528	2/3/2021	\$510,577
City of Winters	Nonentitlement	Winters	2 and 9	Yolo	\$88,783	\$4,439	2/3/2021	\$88,783
City of Woodland	Entitlement	Woodland	1 and 6	Yolo	\$248,989	\$12,449	2/3/2021	\$248,989
City of Yorba Linda	Entitlement	Yorba Linda	6	Orange	\$106,529	\$5,326	2/3/2021	\$106,529
County of Alameda	Entitlement	Oakland	6	Alameda	\$3,704,475	\$185,223	2/3/2021	\$3,704,475
County of Alameda	Entitlement	Alameda County	6	Alameda	\$933,865	\$46,693	2/3/2021	\$933,865
County of Kern	Entitlement	Kern County	6	Kern	\$2,160,344	\$108,017	2/3/2021	\$2,160,344
County of Monterey	Entitlement	Monterey County	1, 3, 5, and 6	Monterey	\$648,380	\$32,419	2/3/2021	\$648,380
County of Riverside	Entitlement	Riverside County	1 and 9	Riverside	\$3,996,171	\$199,808	2/3/2021	\$3,996,171
County of Riverside	Entitlement	Moreno Valley	1 and 9	Riverside	\$1,029,809	\$51,490	2/3/2021	\$1,029,809
County of Riverside	Entitlement	Indio City	1 and 9	Riverside	\$455,962	\$22,798	2/3/2021	\$455,962
County of Riverside	Entitlement	Hemet	1 and 9	Riverside	\$402,536	\$20,126	2/3/2021	\$402,536
County of Riverside	Entitlement	Cathedral City	1 and 9	Riverside	\$283,223	\$14,161	2/3/2021	\$283,223
County of Riverside	Entitlement	Temecula	1 and 9	Riverside	\$273,393	\$13,669	2/3/2021	\$273,393
County of Riverside	Entitlement	Lake Elsinore	1 and 9	Riverside	\$248,527	\$12,426	2/3/2021	\$248,527
County of Riverside	Entitlement	Palm Springs	1 and 9	Riverside	\$192,237	\$9,611	2/3/2021	\$192,237
County of San Mateo	Entitlement	San Mateo County	1 and 6	San Mateo	\$1,209,550	\$60,477	2/3/2021	\$1,209,550



DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT  
 Permanent Local Housing Allocation (PLHA) Program  
 February 26, 2020  
 Awardee List (as of 2/3/2021)

Applicant Name	Eligible Applicant Type	Local Government of PLHA Formula Allocation	*Activity No.	County	Approximate PLHA Formula Allocation Amount	Allowable Local Admin (5%)	Award Date	Awarded Amount
County of Santa Barbara	Entitlement	Santa Maria	1, 2, 6, and 9	Santa Barbara	\$733,471	\$36,673	2/3/2021	\$733,471
County of Siskiyou	Nonentitlement	Siskiyou County	1 and 5	Siskiyou	\$142,120	\$7,106	2/3/2021	\$142,120
County of Tulare	Nonentitlement	Tulare County	1 and 2	Tulare	\$583,584	\$29,179	2/3/2021	\$583,584
County of Yolo	Nonentitlement	Yolo County	2 and 6	Yolo	\$136,610	\$6,830	2/3/2021	\$136,610
San Joaquin County	Entitlement	San Joaquin County	6	San Joaquin	\$1,310,193	\$55,509	2/3/2021	\$1,310,193
San Luis Obispo County	Entitlement	County of San Luis Obispo	2, 3, and 6	San Luis Obispo	\$872,502	\$43,625	2/3/2021	\$872,502
Santa Cruz County	Nonentitlement	Santa Cruz County	1 and 6	Santa Cruz	\$565,952	\$28,297	2/3/2021	\$565,952
Sutter County	Nonentitlement	Sutter County	6	Sutter	\$116,333	\$5,816	2/3/2021	\$116,333
Town of Apple Valley	Entitlement	Apple Valley	6	San Bernardino	\$287,561	\$14,378	2/3/2021	\$287,561
Town of Truckee	Nonentitlement	Truckee	2	Nevada	\$104,652	\$5,232	2/3/2021	\$104,652
Ventura County	Entitlement	Ventura County	1, 2, and 3	Ventura	\$859,749	\$42,987	2/3/2021	\$859,749
Ventura County	Entitlement	Thousand Oaks	1, 2, and 3	Ventura	\$296,040	\$14,802	2/3/2021	\$296,040
<b>TOTAL PLHA ROUND 1 AWARDS (as of 2/3/2021)</b>								<b>\$150,754,735</b>

**\*Eligible activities are limited to the following:**

**Activity #1:** The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to Extremely low-, Very low-, Low-, or Moderate-income households, including necessary operating subsidies.

**Activity #2:** The predevelopment, development, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.

**Activity #3:** Matching portions of funds placed into Local or Regional Housing Trust Funds.

**Activity #4:** Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.

**Activity #5:** Capitalized Reserves for services connected to the preservation and creation of new permanent supportive housing.

**Activity #6:** Assisting persons who are experiencing or At-risk of homelessness, including, but not limited to, providing rapid re-housing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and **Activity #7:** Accessibility modifications in Lower-income Owner-occupied housing.

**Activity #8:** Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.

**Activity #9:** Homeownership opportunities, including, but not limited to, down payment assistance.

**Activity #10:** Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing Projects, or matching funds invested by a county in an affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the Project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the affordable housing Project.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF STATE FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670, 95833  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 263-2771  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



December 23, 2021

Vanessa Cooper, President  
Alameda Affordable Housing Corporation  
701 Atlantic Avenue  
Alameda, CA 94501

Dear Vanessa Cooper:

**RE: Award Announcement – Local Housing Trust Fund Program  
Notice of Funding Availability Fiscal Year 2021/2022  
Alameda Affordable Housing Trust Fund  
Contract No. 21-LHTFCOM-16920**

The California Department of Housing and Community Development (Department) is pleased to announce that Alameda Affordable Housing Corporation (Awardee) has been awarded a Local Housing Trust Fund (LHTF) program award in the amount of \$2,500,000. This letter constitutes notice of the designation of LHTF program funds for use in Alameda County.

Awardees will be able to draw down funds when the Standard Agreement is fully executed, and any general and special conditions have been cleared in writing.

The Department intends to issue a Standard Agreement within 90 days of receipt of the documentation required to execute this contract. A program representative will be in communication with you within a week to discuss and confirm any documents needed.

Congratulations on your successful application. For further information, please contact Doniell Cummings, LHTF Program Manager, Program Design and Implementation Branch, (916) 695-9006 or [Doniell.Cummings@hcd.ca.gov](mailto:Doniell.Cummings@hcd.ca.gov).

Sincerely,

Jennifer P. Seeger  
Deputy Director  
Division of State Financial Assistance

2021 DEC 27 PM 2:08  
RECEIVED  
THE CITY OF ALAMEDA



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

---

915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

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Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
Nancee Robles

August 8, 2022

Vanessa Cooper  
Island City Development  
701 Atlantic Avenue  
Alameda, CA 94501

Email: [vcooper@alamedahsg.org](mailto:vcooper@alamedahsg.org)

**RE: CA-22-085 / North Housing PSH I**

Dear Ms. Cooper:

This letter is in response to the appeal letter received on August 1, 2022 of the California Tax Credit Allocation Committee (“CTCAC”) point and final tie breaker score reduction and disqualification of the above referenced project. CTCAC staff reduced the Readiness to Proceed point category by ten (10) points, reduced the final tie breaker score, and disqualified the application for failure to demonstrate an enforceable commitment of funds for the City of Alameda loans totaling \$1,261,000 and the Alameda Affordable Housing Corporation (“AAHC”) loan in the amount of \$10,000,000 for Phase I and Phase II. The final tie breaker score was further reduced for ineligible off-site costs in the amount of \$411,231 because staff was unable to confirm these off-site costs consists solely of curbs, sidewalks, gutters, or utility connections immediately bordering the property and as a result the amount was removed from the Final Tie Breaker score.

### Enforceable Financing Commitments

The appeal letter included a letter from the City of Alameda delineating the status of the funds. You stated that the CDBG and HOME funds were conditional for environmental and subsidy layering review, which cannot be completed until all funds have been awarded. The appeal letter referenced the Housing Authority of the City of Alameda (“AHA”) commitment of \$8,660,000 and stated that the State Local Housing Trust Funds (“LHTF”) match were committed in December 2021, thus satisfying the condition in the AAHC letter. The appeal letter included the LHTF commitment letter.

Following review of the appeal letter, the application, and CTCAC regulations, I find that the City of Alameda loans, specifically the HOME and CDBG funds still have outstanding conditions not



resolved with HUD that are not within the control of the applicant and therefore not committed. Since those funds have been deemed not committed, and the PLHA and AHUF funds require all funds to be committed, the PLHA and AHUF funds are not committed. As a result, the appeal for the City of Alameda loans is not granted. With regard to the AAHC loan, I find that the clarification provided in the appeal letter constitutes a commitment. As a result, the appeal for the AAHC loan is granted.

Due to the City of Alameda funds still being deemed not committed, the application remains disqualified from the Round 2 application cycle.

#### Off-Site Costs

The appeal letter stated that by way of the language in Tab 12, the off-site costs are immediately bordering the project and consist solely of curbs, sidewalks, gutters, or utility connections. You also noted that a total of \$46,920 for ac paving and striping was inadvertently included in the tie breaker and should be excluded since they do not meet the requirements of CTCAC Regulation Section 10325(c)(9)(A). As a result, the appeal letter stated that \$364,311 of the \$411,231 in off-site costs should be eligible for inclusion in the final tie breaker score.

Following review of the appeal letter, the application, and CTCAC regulations, I find that it is still unclear as to how the listed off-site costs meet the requirements of CTCAC Regulation Section 10325(c)(9)(A). While you provided a statement that the off-site costs immediately border the project, yet there is no description of where around the project these off-site costs will be incurred. Furthermore, it is unclear how the list of off-site costs included in Tab 12 (i.e. landscaping) consist solely of curbs, sidewalks, gutters, or utility connections. As a result, the appeal is not granted.

A new point letter is attached. Please feel free to contact me at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov) should you have any questions or concerns. If you wish to appeal this decision, you may email your appeal in writing to Executive Director Nancee Robles at [nancee.robles@treasurer.ca.gov](mailto:nancee.robles@treasurer.ca.gov) and cc me at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov). Your appeal must be received by CTCAC no later than August 15, 2022.

Sincerely,



Anthony Zeto  
Deputy Executive Director

Enclosure



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
www.treasurer.ca.gov/ctcac

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Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
NANCEE ROBLES

### REVISED

August 8, 2022

Vanessa Cooper  
Island City Development  
701 Atlantic Avenue  
Alameda, CA 94501

Email: [vcooper@alamedahsg.org](mailto:vcooper@alamedahsg.org)

**RE: CA-22-085 / North Housing PSH I**

Dear Ms. Cooper:

Following your submission for the California Tax Credit Allocation Committee (CTCAC) second 2022 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comments. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

	<b><u>Points Requested</u></b>	<b><u>Points Awarded</u></b>
1. General Partner Experience	7	7
2. Management Experience	3	3
3. Housing Needs	10	10
4. Site Amenities	15	15
5. Service Amenities	10	10
6. Lowest Income	52	52
7. Readiness to Proceed	10	0
8. Miscellaneous Federal and State Policies	2	2
<b>TOTAL</b>	<b>109</b>	<b>99</b>

CTCAC staff reduced the Readiness to Proceed point category by ten (10) points. The City of Alameda loans, totaling \$1,261,000, states that they are a conditional commitment. The home loan amount of \$115,000 is subject to final approval from the county and HUD; the CDBG loan of \$321,000 is subject to final approval from the county and HUD; the Permanent Local Housing Allocation loan of \$450,000 is subject to final approval from the State of California. Furthermore, the commitment totaling \$1,261,000 is conditioned on HUD's approval of the City's "Action Plan" for fiscal year 2022-23. As a result, the project does not have an enforceable commitment for all construction financing as defined in CTCAC Regulation Section 10325(f)(3).

CTCAC has calculated your Final Tie Breaker score and the revised score is **57.860%**.

In the application, the Final Tie Breaker self-score is 62.097%. CTCAC staff reduced the public funds numerator by the above-mentioned loans totaling \$1,261,000 from the City of Alameda for same reasons stated above.

In addition, the Final Tie Breaker was adjusted for ineligible off-site costs. For purposes of the Final Tie Breaker, CTCAC views all funds as fungible and treats all off-site costs as paid for with public funds. Under CTCAC Regulation Section 10325(c)(9)(A), only a narrow type of off-site costs for curbs, sidewalks, gutters, and utility connections immediately bordering the property qualify as eligible costs paid by public funds in the Final Tie Breaker. CTCAC staff excluded the ineligible off-site costs, in the amount of \$411,231 from the soft financing numerator and total residential project cost denominators of the final tie breaker calculation. The off-site description in Tab 12 did not confirm if the off-sites were immediately bordering the project. In addition, the Certified Public Accountant certification provided in Tab 19 described those costs as "improvements to roads, which contradicts the applicant's off-site description and the off-site cost estimate provided from J.H. Fitzmaurice, Inc. CTCAC staff was unable to confirm if the \$411,231 off-site costs consists solely of curbs, sidewalks, gutters, or utility connections immediately bordering the property and as a result the amount was removed from the Final Tie Breaker score.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects' scoring letters since individual letters will be sent later as the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact Nicholas White at [nicholas.white@treasurer.ca.gov](mailto:nicholas.white@treasurer.ca.gov) **after** the final awards have been made.

We appreciate your interest in the Low-Income Housing Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,



Timothy Handy  
Development Program Manager



ISLAND CITY DEVELOPMENT  
701 Atlantic Avenue  
Alameda, CA 94501

August 15, 2022

Nancee Robles, Executive Director  
California Tax Credit Allocation Committee  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814

Via Email: [nancee.robles@treasurer.ca.gov](mailto:nancee.robles@treasurer.ca.gov); [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov)

RE: CA-22-085 / North Housing PSH I  
New Construction of 45-unit Permanent Supportive Housing

Dear Ms. Robles:

We have received two TCAC letters of August 8, 2022 via email and wish to formally appeal the decision for this project. In addition to our previous responses, we wish to provide additional clarification of the nature of the commitment for the funds under the City of Alameda's jurisdiction.

Per 10325(f)(8) in the June 16, 2021 adopted Regulations of the California Tax Credit Allocation, the following conditions must be present:

- (A) Express authorization from the governing body committing the funds
- (B) Commitment shall be final, and only subject to conditions within the control of the applicant, with one exception the attainment of other financing sources including an award of tax credits
- (C) Fund commitment shall be from funds within the control of the entity providing the commitment at the time of the application
- (D) Evidence of value - N/A – waivers and exemptions not used in this project
- (E) Substitution of funds – N/A – not applicable at this time.

Please see below for further clarification of how the commitment meets these regulations:

- (A) For all four of the funding sources (HOME, CDBG, PLHA, and AHUF/Inclusionary), the governing body is the City of Alameda. No other entity (HUD, the County, etc.) is allowed to award these funds. This is evidenced by the Executive Summary of Agenda Item 2022-1929 June 7, 2022 of the City Council of the City of Alameda (attached), which clearly says that the City had already been awarded the HOME and CDBG funds, and that all the 'funds described in the report have been budgeted in the CDBG Fund, HOME Fund, Affordable Housing Fund, and Permanent Local Housing Allocation Project (see Financial Impact session). The City Council action on June 7, 2022, provides express authorization to the Interim City Manager to allocate funds, negotiate and executive documents, etc. to utilize the funds:

**Conduct a public hearing to consider adoption of the CDBG/HOME FY 2022-23 Action Plan; authorize the Interim City Manager to use affordable housing unit fee and permanent local housing allocation funds; and authorize the Interim City Manager to negotiate and execute related documents, agreements, and modifications at funding levels approved by Congress.**

8/15/22

Island City Development

Page 2 of 2

- (B) The commitment on June 7, 2022 is only subject to conditions within the control of the applicant. The submittal of the Action Plan is ministerial and is simply part of the documentation of the City's housing and community services process to HUD. It is not an approval process, as HUD is not directly awarding these funds. Thus, the commitment is final and only subject to conditions within the control of the applicant, such as negotiation of legal documents and obtaining tax credits.
- (C) Funds are within the control of the entity providing the commitment. Per the City Council Agenda, the funds were all within control of the City of Alameda on June 7, 2022. The funds were previously awarded, previously collected, and previously budgeted. In addition, as in (A) above, the City is the entity that has the power to award these funds in their control.

The attached letter from the City of Alameda supports the ability of the Executive Director to find that the local funds meet the definition of 'committed' as written in the CTCAC regulations. In other attachments, we provide more explanation of the process and award, but we strongly urge the Executive Director to rely upon the three conditions above, which the commitments clearly meet.

Per 10325(c)(9)(A)(i), the regulations provided the following exception:

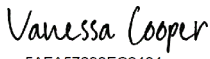
- (1) documented as a waived fee pursuant to a nexus study and relevant State Government Code provisions regulating such fees or
- (2) the off-sites must be developed by the sponsor as a condition of local approval and those off-sites consist solely of utility connections, and curbs, gutters, and sidewalks immediately bordering the property.

In addition to our previous responses, we wish to note that as shown on the site plan in the architectural drawings, all three streets: Mosley Avenue, Lakehurst Circle, and Mabuhay Street are bordering the project where the curbs, sidewalks, gutters, and utility connections are located and required to serve the proposed development. The project site is vacant land and offsite improvements are required as a condition of local approval.

We thank you for your consideration of these clarifications of our application and are happy to discuss with you as needed.

Sincerely,

DocuSigned by:

  
5AFA57239EC2484...  
Vanessa Cooper  
President

Attachments

1. City of Alameda Clarification 8/15/2022
2. June 7, 2022 City Council Meeting Agenda Item 2022-1929
3. Previous Clarification Correspondences



City of Alameda • California

August 15, 2022

Nancee Robles, Executive Director  
California Tax Credit Allocation Committee  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814

RE: CA-22-085/North Housing PSH I

Dear Ms. Robles:

We have been asked to clarify our letter of June 22, 2022 regarding the North Housing PSH I development. In particular, this letter clarifies the conditions of the approvals.

First, we would like to clarify that the City of Alameda is the governing agency for these funds, and the June 7, 2022 City Council action expressly authorized the Interim City Manager to award and execute the loan agreements for this project. In addition, the City has issued a commitment based upon Council action and conditioned on the submission of the Action Plan to HUD, which is an administrative action on the part of the City, not the applicant. Finally, the fund commitment is from funds within the control of the City of Alameda, such as previous awards, direct allocations, or fees previously received.

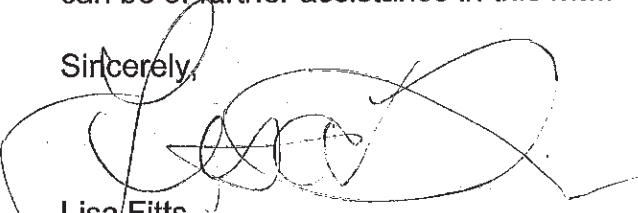
As further explanation of the process:

- 1) HOME Investment Partnership Program (HOME) – As a member of the Alameda County HOME Investment Partnership Program (HOME Consortium), the City has been awarded \$245,827 in FY 2022-23 HOME Program funds, which will be used for the \$115,000 in HOME funds committed to the North Housing PSH I project. The City Council adopted this funding allocation on June 7, 2022 and there is no further City Council or County action needed for this funding. The Annual Action Plan was then submitted to HUD on July 13, 2022 and represents the third year of implementation of the five-year Consolidated Plan. It is deemed to be accepted if HUD has not indicated otherwise by August 27, 2022. Based on past experience, we expect that HUD will accept the submission.
- 2) Community Development Block Grant (CDBG) – For FY 2022-23, HUD has awarded \$1,139,561 in CDBG funds to the City of which \$321,000 will be used to fund the North Housing PSH I project. The City Council adopted this funding allocation on June 7, 2022, and there is no further City Council or County action needed for this funding. The Annual Action Plan was then submitted to HUD on July 13, 2022 and represents the third year of implementation of the five-year Consolidated Plan. It is deemed to be accepted if HUD has not indicated otherwise by August 27, 2022. Based on past experience, we expect that HUD will accept the submission.

- 3) Permanent Local Housing Allocation (PLHA) – The June 7, 2022 action by the City Council awarded these funds subject to completion of legal documents and receipt of a viable financing plan.
- 4) Affordable Housing Unit Fee (AHUF) – The June 7, 2022 action by the City Council awarded these funds subject to completion of legal documents and receipt of a viable financing plan.

We strongly support the proposed development in the City of Alameda. Please let me know if I can be of further assistance in this matter.

Sincerely,



Lisa Fitts  
Interim Base Reuse Manger  
City of Alameda

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**Details**

File #: 2022-1929

Type: Regular Agenda Item

Body: [City Council](#)

On agenda: 6/7/2022

**Title:** Public Hearing to Consider Adoption of the Community Development Block Grant/HOME Investment Partnerships Program Fiscal Year (FY) 2022-23 Action Plan; Authorize the Interim City Manager to Use Affordable Housing Unit Fee and Permanent Local Housing Allocation Funds; and Authorize the Interim City Manager to Negotiate and Execute Related Documents, Agreements, and Modifications at Funding Levels Approved by Congress. (Community Development 203, 201, 208 & 222)

**Attachments:** 1. [Exhibit 1 - Draft Action Plan](#), 2. [Exhibit 2 - Draft Summary of Activities](#), 3. [Presentation](#)

Text

Public Hearing to Consider Adoption of the Community Development Block Grant/HOME Investment Partnerships Program Fiscal Year (FY) 2022-23 Action Plan; Authorize the Interim City Manager to Use Affordable Housing Unit Fee and Permanent Local Housing Allocation Funds; and Authorize the Interim City Manager to Negotiate and Execute Related Documents, Agreements, and Modifications at Funding Levels Approved by Congress. (Community Development 203, 201, 208 & 222)

To: Honorable Mayor and Members of the City Council

**EXECUTIVE SUMMARY**

The City of Alameda (City) is an entitlement recipient of Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). Fiscal year (FY) 2022-23 represents the third year of implementation for the five-year Consolidated Plan, which is a planning document required by HUD to be submitted by all jurisdictions that directly receive HUD funds. Recommendations for program funding for Public Services is included in Exhibit 2.

HUD has awarded \$1,139,561 in CDBG funds to the City for FY 2022-23. As a member of the Alameda County HOME Partnership Investment Program (HOME Consortium), the City has also been awarded \$245,827 in FY 2022-23 HOME Program funds. The total FY 2022-23 budget for CDBG and HOME is \$3,693,578, which includes approximately \$1,850,364 of funds carried forward from previous years and projected program income receipts of \$72,000. In addition to the federal funds, staff made available through a Notice of Funding Availability (NOFA) \$750,000 of Affordable Housing Unit Fee (AHUF) Funds. However, the requests for this funding exceeded \$5 million. Staff proposes using \$25,000 of Permanent Local Housing Allocation (PLHA) funds to cover a small portion of the gap.

This public hearing is an opportunity for the community to provide input on the proposed programs and projects for the upcoming fiscal year that will be funded with CDBG, HOME, AHUF and a portion of the PLHA funds.

**BACKGROUND**

The City is an entitlement recipient of CDBG funds from HUD. CDBG funds support programs and activities that benefit low- and moderate-income persons and households and which help prevent or eliminate blight. Each year, entitlement cities must follow a process to receive public input, establish community goals and prepare a budget for the coming year. As a condition of funding, the City is required to submit an annual "Action Plan" to HUD. The Action Plan details the programs, activities and resources that will be used to address the housing and community development priority needs and goals.

In preparing the FY 2020-25 Consolidated Plan, the City consulted with various community stakeholders, including community-based service providers, residents, and City departments and boards. The community stakeholders helped establish priority needs and objectives and proposed strategies in the form of projects and activities to further those objectives. On December 9, 2021, the Social Service Human Relations Board (SSHRB) discussed priority needs and made a recommendation to the City Council regarding public service needs for the upcoming fiscal year. A public hearing regarding public service needs was held at the City Council's January 4 meeting. No written comments were received and the City Council adopted the needs statement as recommended by the SSHRB. On January 18, staff posted a Notice of Funding Availability (NOFA) and Request for Proposals (RFP) for CDBG, HOME and AHUF funds.

CDBG funding for the upcoming fiscal year is derived from two sources: CDBG entitlement funds that are allocated by HUD and program income that is generated from CDBG loan repayments. HUD has awarded the City \$1,139,561 in CDBG entitlement funding for FY 2022-23. Program income is generated from CDBG loans that have been issued through the residential rehabilitation programs. Because this program income will continue to be received through June 30, 2022, the actual amount of program income has yet to be finalized, but is estimated to be \$72,000.

In order to adhere to HUD timing requirements, staff has prepared recommendations for a CDBG allocation of \$1,139,561 for the FY 2022-23 Action Plan period, and an estimated \$72,000 in program income from CDBG loan repayments in FY 2022-23. In addition, as a member of the Alameda County HOME Consortium, the City has been awarded \$245,827 in HOME funding from the County as a subrecipient. Additionally, based on City Council direction given at the the December 7, 2021 City Council meeting, staff made available \$750,000 of AHUF funds for housing development through a NOFA.

The City has taken steps to meet the citizen participation requirements, including noticing an open and public hearing, with publication of the notice in the April 1, 2022 *Alameda Sun* newspaper, as well as in Chinese, Spanish, Tagalog, and Vietnamese-language newspapers. Accommodations are also available for non-English speaking residents and persons with disabilities to participate in the public comment process.

**DISCUSSION**

The City is one of eight jurisdictional members of the HOME Consortium through which the County allocates portions of its HOME allocation to participating jurisdictions. Each member of the HOME Consortium must prepare its individual Action Plan. As the lead agency, Alameda County coordinates the timing and final submission of the Action Plan to HUD.

**CDBG Funding Allocation**



The City prepares an annual Action Plan that identifies specific objectives and the proposed uses of CDBG funds. The Action Plan funding recommendations are based on needs identified through a number of community meetings and reports, including:

- Alameda County report on Analysis of Impediments to Fair Housing
- Alameda County EveryOne Home reports
- City Council Annual Public Needs Hearing
- City of Alameda Community Needs Assessment
- Consultation with community-based organizations
- Domestic Violence Task Force
- SSHRB meeting on public services needs
- Road Home: A 5 Year Plan to Prevent and Respond to Homelessness in Alameda

The draft FY 2022-23 Action Plan is attached as Exhibit 1. The proposed activities for FY 2022-23 are intended to address both the current urgent needs that arose from the coronavirus and subsequent shelter-in-place orders while also preparing the City and its most vulnerable residents for recovery from the pandemic.

#### Public Services

Funding for the next fiscal year is derived from two sources: entitlement funds that are allocated by HUD and program income that is generated from CDBG loan repayments. HUD requires that public services funding be capped at 15 percent of the total current year's grant allocation plus program income received in the previous fiscal year. Because the program income will continue to be received through June 30, 2022, the actual amount of program income is to be determined. The current year CDBG entitlement is \$1,139,561 and the estimated program income for FY 2021-22 is approximately \$299,000. As a result, the maximum CDBG that may be allocated to public services is to be \$215,927.

Staff reviewed the public service funding requests and estimated amount of CDBG funds available for public services at the March 24 SSHRB meeting. At this meeting, it was shared that the funding requests of \$270,773 were in excess of the estimated funding available. After the presentation, the SSHRB heard public comment and approved funding recommendations as well as a plan for pro rating any additional funds received before the end of the fiscal year. The attached FY 2022-23 Action Plan Summary of Activities Recommended for Funding (Exhibit 2) reflects SSHRB's recommendations. In order to fund the service providers at the amounts shown, information and referral services will be paid for with CDBG administrative funds and the first \$25,000 of Midway Shelter expenses will be paid with funds from the PLHA fund. Supplementing the CDBG funding with these two sources of available funds is necessary to fund the public services.

#### CDBG Provider Past Performance

In accordance with HUD requirements, following is data on service provider past performance under the current contracts. Listed below are the CDBG-funded service providers who applied for funding, their service offerings, annual goals for number of people served, and the actual number of persons who benefited from the program in FY 2020-21:

Service Provider	Service Offering	Annual Goal	FY 20-21
Alameda Family Services	Mental Health Counseling	45	55
Alameda Food Bank	Emergency Food Distribution	2,200	10,537
Building Futures	Shelter & Counseling	85	120
Eden Council for Hope & Opportunity (ECHO)	Fair Housing Counseling	65	69
Eden Information & Referral	Information & Referral	350	397
Family Violence Law Center	Family Violence Prevention	25	43
Legal Assistance for Seniors	Legal Assistance for Alameda Seniors	48	67
Alameda Point Collaborative	Economic Development	10	23

Due to the COVID-19 pandemic and its economic impact on community members, the number of low-income households and the need for services has increased dramatically during the past two years. Fortunately, all of the service providers were able to adapt their service delivery models and, as a result, all of the service providers exceeded their annual goals.

#### Public Improvements

The City received two applications for public improvement projects for the upcoming fiscal year, one from the Alameda Boys & Girls Club (ABGC) and another from Island City Development, a non-profit affiliate of the Alameda Housing Authority, for a total request of \$864,311. ABGC requested \$264,311 to design, plan, and obtain permits (as applicable) to pave the driveway from Third Street to the end of the parking lot, which spans 625 feet with variable widths. Island City Development requested \$600,000 to make site and infrastructure improvements at the North Housing Site to prepare for the future development of 45 units of permanent supportive housing. The project is anticipated to assist 45-90 persons. Staff contacted ABGC to find out what level of funding would allow the project to progress and ABGC staff confirmed that the full amount is needed to complete the project within 12 months and that a smaller amount might result in breaking the project in two phases - one for planning and a subsequent year for getting the work done. Staff has proposed that ABGC be funded up to its full request and that Island City Development be awarded the remaining available funds of \$321,927 plus any additional funds that become available up to the full request of \$600,000. Funds may become available after the City Council meeting in one of the following ways:

- 1) CDBG loans are paid off in full in advance of the due date; and
- 2) CDBG projects have leftover funds.

#### Residential Rehabilitation

Due to staff transitions at both the Alameda Fire Department, which manages the Housing Safety Program, and the Community Development Department, staff is proposing to publish a Request for Proposals for a third-party administrator of the Residential Rehabilitation Program. This model has been successfully implemented by Albany, Berkeley, San Leandro and Union City. The administrator would be responsible for the following types of work: updating program guidelines and priorities, marketing the program, fielding inquiries, developing a scope of work, preparing loan documents, and construction management. Consequently, residential rehabilitation is minimally funded pending staffing of the administrator.

Substantial rehabilitation funds have been allocated as is required per the Guyton Settlement. While staff received an application for a residential rehabilitation loan of \$195,000 at a 186-unit building, there are not sufficient funds available to fund the request in the upcoming fiscal year.

#### **Administrative Funds**

Administrative funds have been included as permitted by HUD guidelines. As described in the public services section, by paying for Eden Information & Referral services with CDBG administrative funds, more public service funds are available for the remaining service providers.

#### **Carry-Forward Funds**

Carry-forward funds are for projects that are in progress with appropriated but unexpended funds from the prior year. Per HUD requirements, carry-forward funds are encumbered within the same grant year until a project is completed or a replacement project is identified and funds are reprogrammed to the new project. Based on project balances as of April 30, 2023, the Action Plan includes approximately \$1,850,364 of carry-forward funds; \$385,826 of these funds are from completed project and have been made available to fund the proposed projects.

#### **HOME & Affordable Housing Funding Allocation and Activities**

As a member of the HOME Consortium, the City has been awarded \$245,827 in FY 2022-23 HOME funds of which approximately \$14,041 may be used for administrative purposes. As stated in the NOFA, all applicants for HOME housing development funds were considered for Affordable Housing funds as well.

The City received three applications totaling \$3,163,000 in HOME funding requests. Mercy Housing requested \$1,250,000 for 1245 McKay Avenue, a 101-unit development for formerly homeless seniors in Alameda. Island City Development requested \$1,718,000 to build forty-five units of permanent supportive housing for formerly homeless individuals or households at North Housing PSH I, located approximately at 501 Mosley Avenue. Vue Alameda requested \$195,000 for the rehabilitation and conversion of existing market-rate housing at Rica Vista Apartments, located at 1825 Poggi Street, to rent-restricted affordable housing. Staff proposes to split the HOME and AHUF funds between the two permanent, supportive housing projects for formerly homeless individuals, 1245 McKay Avenue and North Housing PSH I. Currently, the City is carrying forward \$332,330 of HOME funds that have been allocated to 1245 McKay. These funds would be made available to the McKay project in addition to those described above. To comply with HUD requirements, staff will first use the oldest funds available. All projects will be subject to Davis Bacon wage monitoring and any other federal requirements.

#### **ALTERNATIVES**

In connection with the holding of this public hearing to consider adoption of the CDBG/HOME FY 2022-23 Action Plan, City Council -could receive public input and:

- Authorize the Interim City Manager to also use AHUF and PLHA Funds; and authorize the Interim City Manager to negotiate and execute related documents, agreements, and modifications to implement the programs described above.
- Direct staff to consider other new programs for funding as long as those programs are consistent with HUD guidelines (e.g., assistance is limited to low-income residents, funding caps are followed, etc.).
- Modify staff's recommendations, such as by making changes to the programs to be funded or revising the proposed funding allocation among the proposed projects as long as those changes are consistent with HUD guidelines.
- Decline to move forward with adopting the proposed CDBG/HOME FY 2022-23 Action Plan at this time, which would result in the loss of CDBG and HOME funding for the upcoming fiscal year.

#### **FINANCIAL IMPACT**

There is no impact to the General Fund to approve the FY 2022-23 CDBG/HOME Action Plan. The funds described in this report have been budgeted in the CDBG Fund (203), HOME Fund (201), Affordable Housing Fund (208), and Permanent Local Housing Allocation Project (G24100).

#### **MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE**

The proposed Action Plan is consistent with the City's CDBG Five-Year Strategic Plan and citizen participation requirements.

#### **ENVIRONMENTAL REVIEW**

The execution of related agreements and final funding commitments are subject to the requirements of the National Environmental Policy Act (NEPA) and satisfactory environmental clearance pursuant to 24 CFR Part 58. Additionally, the proposed action is not a project pursuant to California Environmental Quality Act (CEQA) because it is an organizational or administrative activity of the City that will not result in direct or indirect physical changes in the environment (CEQA Guidelines, section 15378 (b) (5)) and therefore no environmental review is required.

#### **CLIMATE IMPACT**

There are no identifiable climate impacts or climate action opportunities associated with the subject of this report.

#### **RECOMMENDATION**

Conduct a public hearing to consider adoption of the CDBG/HOME FY 2022-23 Action Plan; authorize the Interim City Manager to use affordable housing unit fee and permanent local housing allocation funds; and authorize the Interim City Manager to negotiate and execute related documents, agreements, and modifications at funding levels approved by Congress.

Respectfully submitted,  
Lisa Nelson Maxwell, Community Development Director

By,  
Lisa Fitts, Community Development Program Manager

8/14/22, 3:47 PM

City of Alameda - File #: 2022-1929

Financial Impact section reviewed,  
Margaret O'Brien, Finance Director

Exhibits:

1. Draft FY 2022-23 Action Plan
2. Draft FY 2022-23 Summary of Activities

cc: Dirk Brazil, Interim City Manager  
Social Service Human Relations Board



ISLAND CITY DEVELOPMENT  
701 Atlantic Avenue  
Alameda, CA 94501

August 1, 2022

Mr. Anthony Zeto  
CTCAC  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814

Email: [Timothy.Handy@treasurer.ca.gov](mailto:Timothy.Handy@treasurer.ca.gov); [Carmen.Doonan@treasurer.ca.gov](mailto:Carmen.Doonan@treasurer.ca.gov);  
[Gabrielle.Stevenson@treasurer.ca.gov](mailto:Gabrielle.Stevenson@treasurer.ca.gov); [Anthony.ZETO@treasurer.ca.gov](mailto:Anthony.ZETO@treasurer.ca.gov);  
[Janice.Corbin@treasurer.ca.gov](mailto:Janice.Corbin@treasurer.ca.gov)

Re: CA-22-085/North Housing PSH I

Dear Mr. Zeto:

We have received two TCAC letters of July 25, 2022 via email and wish to formally appeal the staff's scoring and reduction of the tiebreaker for this project.

1. **Formal appeal of adjustment to not include funding of \$1,261,000 from the City of Alameda CDBG, HOME, PLHA and AHUF for Readiness to Proceed points and tiebreaker**
  - Please see the City of Alameda's clarification of their letter of June 22, 2022, attached, more clearly delineates the status of the funds. The HOME and CDBG funds are only conditional for environmental and subsidy layering review, which is typical and cannot be completed until all funds, including tax credits, have been awarded. These funds should be deemed committed.
  - The City of Alameda administers HOME funds within its jurisdiction via a contract from the County of Alameda <https://www.acgov.org/cda/hcd/rhd/homefunding.htm> The County maintains oversight but no specific approval, and the City is responsible for RFPs, awards, and administration. The award was made by City Council and the award was submitted in its HUD Action Plan. The HUD Action plan is deemed approved unless HUD responds in the negative and HUD has never done so previously in our past experience. This funding should be deemed committed.



- The City's CDBG funds award was made by City Council and is subject to the same HUD Action plan submittal. This funding should be deemed committed.
- The Annual Action Plan described in the City of Alameda letter of June 22, 2022 is defined below. It is only for federal funding.

The **Consolidated Plan** is designed to help states and local jurisdictions to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions. The consolidated planning process serves as the framework for a community-wide dialogue to identify housing and community development priorities that align and focus funding from the CPD formula block grant programs: [Community Development Block Grant \(CDBG\) Program](#), [HOME Investment Partnerships \(HOME\) Program](#), [Emergency Solutions Grants \(ESG\) Program](#), and [Housing Opportunities for Persons With AIDS \(HOPWA\) Program](#).

The Consolidated Plan is carried out through **Annual Action Plans**, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan. Grantees report on accomplishments and progress toward Consolidated Plan goals in the **Consolidated Annual Performance and Evaluation Report (CAPER)**.

- PLHA is State of California funding per SB 2 The Jobs and Housing Act. AHUF is City of Alameda funding per the 1989 Affordable Housing Ordinance that collects in-lieu fees. PLHA and AHUF are not subject to the HUD Action Plan.
  - Per the PLHA Program 2021 Formula Component NOFA (attached), the PLHA funds are only subject to a request, which does not require approval, as they are part of the noncompetitive 'formula grant' of the authorizing legislation per SB-2 Building Homes and Jobs Act, 50470. The City of Alameda has passed its threshold requirements in 2020 (see attached Awardee List as of 2/3/2021), and thus only has to submit their annual award request and self-certify that they are in compliance. These funds should be deemed committed.
  - Please note that the AHUF funds in the City of Alameda letter are not conditioned on HUD or County action. They are local affordable housing in-lieu fees. Therefore, they are not subject to the City Action Plan which is only for HUD funding. They are only subject to the usual funding requirements such as satisfactory completion of legal documents and receipt of all other project funding. These funds should be deemed committed.
  - We would also respectfully note that the development could defer additional developer fee if needed to cover one of these sources during construction or permanent phases.
2. **Formal appeal of adjustment to not include funding of \$5,000,000 for Readiness to Proceed points and tiebreaker.**
- Tab 2 and Tab 15 AHA Financing Commitment contains a letter from the Housing Authority of the City of Alameda dated June 30, 2022 including Housing Trust Funds, that

8/1/22

Island City Development

Page 3 of 3

is an enforceable commitment of \$8,660,000. The State Local Housing Trust Funds match were committed in December 2021, which is how the AHA could remove the contingent nature of the letter dated July 21, 2021 (Tab 15 – AAHTF Loan Fund Commitment). In other words, it updated its older letter. The SLHTF funds do not go directly to the project – they go to the Housing Authority, via its wholly owned affiliate, the Alameda Affordable Housing Corporation. We include the SLHTF award to AAHC as an attachment. The full funds of \$5,000,000 should be deemed committed.

### 3. Formal appeal of exclusion of off-site cost deemed ineligible

- The TCAC letter of 7/25/22 states that there is only a ‘narrow type of offsite costs for curbs, sidewalks, gutters, and utility connections.... qualify as eligible costs” Tab 12, page 2, says:

- Offsite improvements include utility connections, landscaping, and accessible sidewalks which will serve the proposed development. These costs are qualified project specific costs per Reg 10325.c.9.A, required by the Conditions of Approval, and are included in basis. There are no other off-site costs. The cost is \$411,230.

It describes exactly the narrow type of offsite uses and describes them as ‘qualified costs per Reg 10325.c.9.A.’ certifying that they border the project. On page 3 of Tab 12, the detailed description of the offsites shows ac paving and striping of \$42,720 and \$4,200 respectively, which was an error, as they do not meet the definition, although they do border the project. However, the other costs of \$364,311 are qualified costs and should not be deducted from the public funds section of the tie breaker calculation.

- The CMPR opinion letter is solely to define eligible basis for tax purposes and was not intended to define eligibility for other TCAC guidelines.

We thank you for your consideration of these clarifications of our application and are happy to discuss with you as needed.

Sincerely,

DocuSigned by:

*Vanessa Cooper*

5AFA57239EC2484...  
VANESSA COOPER

President

### Attachments

- 1.City of Alameda clarification
- 2.PLHA Program 2021 Formula Component NOFA
- 3.PLHA Awardee List as of 2\_3\_2022
- 4.SLHTF Award to AAHC 12\_23\_21



## City of Alameda • California

July 28, 2022

Mr. Anthony Zeto  
CTCAC  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814

Re: CA-22-085/North Housing PSH I

Dear Mr. Zeto:

We have been asked to clarify our letter of June 22, 2022 regarding the North Housing PSH I development. In particular, this letter clarifies the conditions of the approvals.

- 1) The **HOME Investment Partnerships Program (HOME) loan** is conditional on Department of Housing and Urban Development (HUD) acceptance. The Action Plan and the proposed activities contained therein are deemed to be accepted if HUD has not indicated otherwise 45 days from the submission date. The Action Plan was submitted to HUD on July 13, 2022. Based on past experience, we do not expect that HUD will decline the submission. There is no further City Council or County action needed for this funding.
- 2) The **Community Development Block Grant (CDBG)** is conditional on HUD acceptance. The Action Plan and the proposed activities contained therein are deemed to be accepted if HUD has not indicated otherwise 45 days from the submission date. The Action Plan was submitted to HUD on July 13, 2022. Based on past experience, we do not expect that HUD will decline the submission. There is no further City Council or County action needed for this funding.
- 3) The **Permanent Local Housing Allocation (PLHA)** is conditional on receiving all other funding, including tax credits.
- 4) The **Affordable Housing Unit/Fee (AHUF)** are local funds that are in hand and conditional on receiving all other funding, including tax credits.

Please let me know if I can be of further assistance in this matter.

Sincerely,



Lisa Fitts

Interim Base Reuse Manager

Community Development Department  
950 West Mall Square, Suite 205  
Alameda, CA 94501-4477

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF STATE FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670  
Sacramento, CA 95833  
(916) 263-2771  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



May 3, 2021

**MEMORANDUM FOR:** All Potential Applicants 

**FROM:** Jennifer Seeger, Deputy Director  
Division of State Financial Assistance

**SUBJECT:** Permanent Local Housing Allocation Program  
2021 Entitlement and Non-Entitlement Local government  
Formula Component - Notice of Funding Availability

The California Department of Housing and Community Development (Department) is pleased to announce the release of the 2021 Entitlement and Non-Entitlement Local government formula component Notice of Funding Availability (NOFA) for approximately **\$304 million** in calendar year 2020 funds plus an additional **\$38.4 million** in remaining calendar year 2019 funds for the Permanent Local Housing Allocation (PLHA) program. This funding provides formula grants, as listed in Appendix A, to Entitlement and Non-Entitlement Local governments in California for housing-related projects and programs that assist in addressing unmet housing needs of their local communities.

**Please note: As this is the second allocation year for funds collected pursuant to SB 2 (Chapter 364, Statutes 2017), jurisdictions that have previously applied and received an award of 2019 funds are not required to resubmit all threshold requirements, but rather must demonstrate all threshold requirements continue to be met as noted in Part II, Section G of this NOFA. Jurisdictions that have not previously applied, must meet all threshold requirements as outlined in Part II, Section F of the attached NOFA.**

The submittal portal will be available and open for applications beginning **May 6, 2021**. Personal deliveries will not be accepted. No facsimiles, incomplete applications, application revisions, or walk-in application packages will be accepted. Applications will be accepted through **December 31, 2021** and must be submitted electronically through the Department's website. Requirements for uploading the Application Workbook and required supporting documentation, including naming conventions, are described in the application instructions available at <http://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>.

The PLHA application forms, workshop details, and Guidelines are posted on the Department's [website](#). To receive information on workshops and other updates, please subscribe to the PLHA listserv by clicking on "Email Sign up" on the Department's [website](#). If you have any further questions, please contact [PLHA@hcd.ca.gov](mailto:PLHA@hcd.ca.gov).

Attachment



# **Permanent Local Housing Allocation Program**

## **2021 Formula Component Notice of Funding Availability for Entitlement and Non-Entitlement Local governments**



**Gavin Newsom, Governor  
State of California**

**Lourdes M. Castro Ramírez, Secretary  
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director  
California Department of Housing and Community Development**

2020 West El Camino Avenue, Suite 500, Sacramento, CA 95833  
Telephone: (916) 263-2771

Website: <http://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>

Email: [PLHA@hcd.ca.gov](mailto:PLHA@hcd.ca.gov)

**May 3, 2021**

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**Permanent Local Housing Allocation  
2021 Entitlement and Non-Entitlement Local Government Formula Component  
Notice of Funding Availability**

**I. Overview**

**A. Notice of Funding Availability**

The California Department of Housing and Community Development (Department) is announcing the release of the 2021 Permanent Local Housing Allocation (PLHA) program formula component Notice of Funding Availability (NOFA) for approximately **\$304 million** in calendar year 2020 funds and an additional **\$38.4 million** in calendar year 2019 funds for Entitlement and Non-Entitlement Local governments. This NOFA is funded from moneys deposited in the Building Homes and Jobs Trust Fund (Fund) in calendar year 2020 and includes any remaining unawarded funds not requested for calendar year 2019.

Funding for this NOFA is provided pursuant to Senate Bill 2 (SB 2) (Chapter 364, Statutes of 2017). SB 2 established the Fund and authorizes the Department to allocate 70 percent of moneys collected and deposited in the Fund, beginning in calendar year 2019, to Local governments for eligible housing and homelessness activities. The intent of the bill is to provide a permanent, on-going source of funding to Local governments for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities.

This NOFA outlines threshold and application requirements for Entitlement Local governments and Non-Entitlement Local governments as defined in Guidelines Section 101. Entitlement Local governments are metropolitan cities and urban counties that received a Community Development Block Grant (CDBG) grant for fiscal year 2017 pursuant to the federal formula specified in 42 U.S. Code, Section 5306.

Please note that this NOFA has two separate threshold requirements sections:

- Local Governments that received an award under the 2020 Formula Component NOFA are subject to the threshold requirements outlined in **Part II, Section F**
- Local Governments that have not previously applied for and received a PLHA award must meet the threshold requirements outlined in **Part II, Section G**

In 2021, the Department will issue two separate NOFAs to award the PLHA funds:

1. Formula Component NOFA for Entitlement and Non-Entitlement Local governments; and
2. Non-Entitlement Local government Competitive NOFA (anticipated in May 2021).

## B. Timeline

<b>NOFA Release Date</b>	May 3, 2021
<b>Application Submittal</b>	May 6, 2021 - December 31, 2021
<b>Award Announcement</b>	Ongoing through February 2022

## C. Authorizing Legislation and Regulations

SB 2 (Chapter 364, Statutes of 2017) established the PLHA program. The program operates under the requirements of Health and Safety Code (HSC), Part 2 of Division 31, Chapter 2.5 (commencing with Section 50470).

Section 50470 (b)(2)(B)(i) of the HSC authorizes the Department to allocate 70 percent of the moneys collected and deposited in the Fund, beginning in calendar year 2019, for the PLHA program.

Section 50470 (b)(2)(B)(i)(I) of the HSC requires the Department to allocate 90 percent of PLHA funds based on the federal CDBG formula specified in 42 U.S. Code, Section 5306, except that the portion allocated to Non-Entitlement Local governments is required to be distributed through a competitive grant program for Non-Entitlement Local governments.

Section 50470 (b)(2)(B)(i)(II) of the HSC requires the Department to allocate the remaining 10 percent of PLHA funds equitably to Non-Entitlement Local governments.

Section 50470 (d) authorizes the Department to adopt Guidelines to implement the PLHA program, not subject to the rulemaking provisions of the California Administrative Procedure Act.

This NOFA governs the administration of funding from the Fund (created by Section 50470, subdivision (a)(1) and appropriated by item 2240-103-3317 in the Budget Act of 2019) and made available under the PLHA program.

Capitalized terms not otherwise defined in this NOFA shall have the meanings set forth in Guidelines Section 101.

## II. Program requirements

The following is provided as a summary for the allocation of the PLHA funds to Entitlement and Non-Entitlement Local governments and is not to be considered a complete representation of the eligibility, threshold, or other requirements, terms and conditions.

### A. Eligible Applicants

1. An Applicant must be an Entitlement Local government, a Non-Entitlement Local government, or a Local or Regional Housing Trust Fund delegated by the Local government pursuant to Guidelines Section 300. **Appendix A** contains the list of eligible Applicants.

- 2. Delegation.** An eligible Applicant may delegate their entire formula allocation to either another Local government or to a Local or Regional Housing Trust Fund. A Local government that delegates their formula allocation to another Local government or to a Housing Trust Fund must enter into a legally binding agreement with the other Local government or Housing Trust Fund. The delegate must submit the PLHA application on behalf of the delegator and wholly administer the entire formula component of PLHA funds on behalf of the delegator for the full term of the PLHA Plan, as set forth in Guidelines Section 300(c).

Upon delegating its entire formula allocation to another Local government or to a Local or Regional Housing Trust Fund, the Local government that delegated their allocation is no longer involved in the PLHA application or administration of the PLHA grant for the full term of the PLHA Plan, which extends through 2023. The delegated Local government or Trust Fund assumes full responsibility for compliance with statute and for meeting all of the Department's requirements, including any penalties for non-compliance.

A partial funding delegation is not permitted under the delegation authority. However, a Local government can subgrant a **portion** of its allocation to another entity, as permitted by Guidelines Section 302(c)(3). When a Local government subgrants a portion of its allocation to another entity, the Local government remains fully accountable and responsible for compliance with statute and for meeting all of the Department's requirements, including any penalties for non-compliance.

## **B. Eligible Activities**

Pursuant to Guidelines Section 301(a), the PLHA funds allocated to eligible Applicants must be used to carry out one or more of the eligible activities listed below. All services must be provided within the county containing the Local government recipient.

1. The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, or rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households (up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas, see appendix B for a list of High-cost areas ), including necessary Operating subsidies.

Note: Predevelopment and/or acquisition must result in the development, rehabilitation, or preservation of housing, as otherwise there is no actual housing outcome of the predevelopment or acquisition assistance.

2. The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days. See Appendix B for a list of High-cost areas in California.

Note: Predevelopment and/or acquisition must result in the development, rehabilitation, or preservation of Affordable rental and ownership housing, as

otherwise there is no actual housing outcome of the predevelopment or acquisition assistance.

3. Matching portions of funds placed into Local or Regional Housing Trust Funds. Matching funds must be utilized as required by PLHA guidelines Section 301(a).
4. Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176. Matching funds must be utilized as required by PLHA guidelines Section 301(a).
5. Capitalized Reserves for Services connected to the preservation and creation of new Permanent Supportive Housing.
6. Assisting persons who are experiencing or At risk of homelessness in conformance with [24 Code of Federal Regulations \(CFR Section 578.3\)](#), including
  - Rapid rehousing in conformance with federal rules contained in 24 CFR Section 576.104, except for legal services;
  - Rental assistance with a term of at least six (6) months (rental arrears is not eligible);
  - Street outreach, and other Supportive/case management services in conformance with federal rules contained in 24 CFR Section 576.101 that allow people to obtain and retain housing;
  - Operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
  - a. This Activity may include subawards to Administrative Entities as defined in HSC Section 50490(a)(1-3) that were awarded California Emergency Solutions and Housing (CESH) Program or Homeless Emergency Aid Program (HEAP) funds for rental assistance to continue assistance to these households.
  - b. Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with Welfare Institutions Code (WIC) Section 8255(b)(8). An Applicant allocated funds for the new construction, rehabilitation, and preservation of Permanent supportive housing shall incorporate the core components of Housing First, as provided in WIC Section 8255(b).
7. Accessibility modifications in Lower-income (up to 80 percent of AMI) Owner-occupied housing.
8. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
9. Homeownership opportunities, including, but not limited to, down payment assistance.



## DEPARTMENT OF HOUSING &amp; COMMUNITY DEVELOPMENT

## Permanent Local Housing Allocation (PLHA) Program

February 26, 2020

## Awardee List (as of 2/3/2021)

Applicant Name	Eligible Applicant Type	Local Government of PLHA Formula Allocation	*Activity No.	County	Approximate PLHA Formula Allocation Amount	Allowable Local Admin (5%)	Award Date	Awarded Amount
City and County of San Francisco	Entitlement	San Francisco	1	San Francisco	\$8,718,035	\$435,901	10/21/2020	\$8,718,035
City of Alameda	Entitlement	Alameda	1 and 6	Alameda	\$558,765	\$27,938	10/21/2020	\$558,765
City of Anaheim	Entitlement	Anaheim	1	Orange	\$2,155,285	\$107,764	10/21/2020	\$2,155,285
City of Bakersfield	Entitlement	Bakersfield	3	Kern	\$1,730,902	\$86,545	10/21/2020	\$1,730,902
City of Bellflower	Entitlement	Bellflower	6	Los Angeles	\$513,624	\$25,681	10/21/2020	\$513,624
City of Buena Park	Entitlement	Buena Park	6	Orange	\$369,242	\$18,462	10/21/2020	\$369,242
City of Burbank	Entitlement	Burbank	1, 2, 6, and 9	Los Angeles	\$477,182	\$23,859	10/21/2020	\$477,182
City of Camarillo	Entitlement	Camarillo	9	Ventura	\$135,354	\$6,767	10/21/2020	\$135,354
City of Chowchilla	Nonentitlement	Chowchilla	9	Madera	\$110,382	\$5,519	10/21/2020	\$110,382
City of Corona	Entitlement	Corona	6	Riverside	\$582,003	\$29,100	10/21/2020	\$582,003
City of Costa Mesa	Entitlement	Costa Mesa	6	Orange	\$528,581	\$26,429	10/21/2020	\$528,581
City of Delano	Entitlement	Delano City	6	Kern	\$325,124	\$16,256	10/21/2020	\$325,124
City of Dinuba	Nonentitlement	Dinuba	1	Tulare	\$148,291	\$7,414	10/21/2020	\$148,291
City of Exeter	Nonentitlement	Exeter	1	Tulare	\$97,819	\$4,890	10/21/2020	\$97,819
City of Fresno	Entitlement	Fresno	1, 2, and 9	Fresno	\$3,407,603	\$170,380	10/21/2020	\$3,407,603
City of Fullerton	Entitlement	Fullerton	6	Orange	\$688,452	\$34,422	10/21/2020	\$688,452
City of Huntington Beach	Entitlement	Huntington Beach	6	Orange	\$548,495	\$27,424	10/21/2020	\$548,495
City of La Habra	Entitlement	La Habra	6	Orange	\$388,867	\$19,443	10/21/2020	\$388,867
City of Lodi	Entitlement	Lodi	6	San Joaquin	\$336,265	\$16,813	10/21/2020	\$336,265
City of Long Beach	Entitlement	Long Beach	1	Los Angeles	\$2,926,784	\$146,339	10/21/2020	\$2,926,784
City of Marysville	Nonentitlement	Marysville	6	Yuba	\$110,382	\$5,519	10/21/2020	\$110,382
City of Monterey	Entitlement	Monterey	1 and 6	Monterey	\$116,419	\$5,820	10/21/2020	\$116,419
City of Napa	Entitlement	Napa City	2 and 6	Napa	\$318,210	\$15,910	10/21/2020	\$318,210
City of Oceanside	Entitlement	Oceanside	6	San Diego	\$649,151	\$32,457	10/21/2020	\$649,151
City of Ontario	Entitlement	Ontario	1, 5, 6, and 9	San Bernardino	\$920,018	\$46,000	10/21/2020	\$920,018
City of Orange	Entitlement	Orange	6	Orange	\$607,483	\$30,374	10/21/2020	\$607,483
City of Oxnard	Entitlement	Oxnard	1 and 6	Ventura	\$1,158,429	\$57,921	10/21/2020	\$1,158,429
City of Palm Desert	Entitlement	Palm Desert	6	Riverside	\$171,306	\$8,565	10/21/2020	\$171,306
City of Porterville	Entitlement	Porterville	6	Tulare	\$342,754	\$17,137	10/21/2020	\$342,754
City of Rancho Santa Margarita	Entitlement	Rancho Santa Margarita	6	Orange	\$101,396	\$5,069	10/21/2020	\$101,396
City of Redwood City	Entitlement	Redwood City	1 and 6	San Mateo	\$347,719	\$17,385	10/21/2020	\$347,719
City of Roseville	Entitlement	Roseville	6	Placer	\$313,366	\$15,668	10/21/2020	\$313,366
City of Roseville	Entitlement	Rocklin City	6	Placer	\$134,638	\$6,731	10/21/2020	\$134,638
City of Sacramento	Entitlement	Sacramento	1 and 9	Sacramento	\$2,357,067	\$117,853	10/21/2020	\$2,357,067
City of San Bernardino	Entitlement	San Bernardino	6	San Bernardino	\$1,622,027	\$81,101	10/21/2020	\$1,622,027
City of San Diego	Entitlement	San Diego	6	San Diego	\$5,790,183	\$289,509	10/21/2020	\$5,790,183
City of San Leandro	Entitlement	San Leandro	1	Alameda	\$349,960	\$17,498	10/21/2020	\$349,960
City of Santa Ana	Entitlement	Santa Ana	6	Orange	\$2,803,706	\$140,185	10/21/2020	\$2,803,706
City of Santa Cruz	Entitlement	Santa Cruz	1 and 3	Santa Cruz	\$264,744	\$13,237	10/21/2020	\$264,744
City of Santa Rosa	Entitlement	Santa Rosa	1	Sonoma	\$694,325	\$34,716	10/21/2020	\$694,325
City of South Gate	Entitlement	South Gate	2	Los Angeles	\$721,320	\$36,066	10/21/2020	\$721,320
City of Tulare	Entitlement	Tulare	1	Tulare	\$318,433	\$15,921	10/21/2020	\$318,433
City of Woodlake	Nonentitlement	City of Woodlake	8	Tulare	\$89,885	\$4,494	10/21/2020	\$89,885
County of El Dorado	Nonentitlement	El Dorado County	2, 6, and 9	El Dorado	\$479,995	\$23,999	10/21/2020	\$479,995
County of Humboldt	Nonentitlement	Humboldt County	1, 6, and 9	Humboldt	\$344,448	\$17,222	10/21/2020	\$344,448



DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT  
 Permanent Local Housing Allocation (PLHA) Program  
 February 26, 2020  
 Awardee List (as of 2/3/2021)

Applicant Name	Eligible Applicant Type	Local Government of PLHA Formula Allocation	*Activity No.	County	Approximate PLHA Formula Allocation Amount	Allowable Local Admin (5%)	Award Date	Awarded Amount
County of Marin	Entitlement	Marin County	3	Marin	\$725,571	\$36,278	10/21/2020	\$725,571
County of Mariposa	Nonentitlement	Mariposa County	1 and 2	Mariposa	\$128,455	\$6,422	10/21/2020	\$128,455
County of Orange	Entitlement	Orange County	6 and 7	Orange	\$1,272,164	\$63,608	10/21/2020	\$1,272,164
County of Placer	Nonentitlement	Placer County	1, 9	Placer	\$455,090	\$22,754	10/21/2020	\$455,090
County of San Bernardino	Entitlement	San Bernardino County	1, 5, 8, and 10	San Bernardino	\$3,459,141	\$172,957	10/21/2020	\$3,459,141
County of San Diego	Entitlement	San Diego County	1 and 2	San Diego	\$1,979,966	\$98,998	10/21/2020	\$1,979,966
County of Santa Barbara	Entitlement	Santa Barbara County	1, 2, 6, and 9	Santa Barbara	\$569,787	\$28,489	10/21/2020	\$569,787
County of Santa Barbara	Entitlement	Goleta	1, 2, 6, and 9	Santa Barbara	\$94,015	\$4,700	10/21/2020	\$94,015
County of Solano	Nonentitlement	Solano County	6 and 9	Solano	\$128,234	\$6,411	10/21/2020	\$128,234
County of Stanislaus	Entitlement	Stanislaus County	1, 2, 6, and 10	Stanislaus	\$1,154,982	\$57,749	10/21/2020	\$1,154,982
Fresno County	Entitlement	Fresno County	1	Fresno	\$1,643,348	\$82,167	10/21/2020	\$1,643,348
Glenn County	Nonentitlement	Glenn County	1 and 6	Glenn	\$106,856	\$5,342	10/21/2020	\$106,856
Glenn County	Nonentitlement	Willows	1 and 6	Glenn	\$93,631	\$4,681	10/21/2020	\$93,631
Glenn County	Nonentitlement	Orland	1 and 6	Glenn	\$92,529	\$4,626	10/21/2020	\$92,529
Los Angeles County	Entitlement	Los Angeles County	6	Los Angeles	\$11,025,126	\$551,256	10/21/2020	\$11,025,126
Merced County	Nonentitlement	Merced County	6	Merced	\$310,947	\$15,547	10/21/2020	\$310,947
Nevada County	Nonentitlement	Nevada County	3 and 6	Nevada	\$306,319	\$15,315	10/21/2020	\$306,319
Nevada County	Nonentitlement	Grass Valley	3 and 6	Nevada	\$135,508	\$6,775	10/21/2020	\$135,508
Nevada County	Nonentitlement	Nevada City	3 and 6	Nevada	\$78,865	\$3,943	10/21/2020	\$78,865
Plumas County	Nonentitlement	Plumas County	1, 5, and 6	Plumas	\$121,182	\$6,059	10/21/2020	\$121,182
Sonoma County	Entitlement	Sonoma County	1, 2, and 6	Sonoma	\$899,393	\$44,969	10/21/2020	\$899,393
Yuba County	Nonentitlement	Yuba County	2	Yuba	\$272,377	\$13,618	10/21/2020	\$272,377
City of Berkeley	Entitlement	Berkeley	1, 3, and 6	Alameda	\$1,293,584	\$64,679	10/21/2020	\$1,293,584
City of Irvine	Entitlement	Irvine	1 and 2	Orange	\$757,977	\$37,898	2/3/2021	\$757,977
City of Alhambra	Entitlement	Alhambra	1, 3, and 4	Los Angeles	\$465,628	\$23,281	2/3/2021	\$465,628
City of Antioch	Entitlement	Antioch	2, 6, and 9	Contra Costa	\$394,235	\$19,711	2/3/2021	\$394,235
City of Chula Vista	Entitlement	Chula Vista	1, 2, and 6	San Diego	\$1,059,483	\$52,974	2/3/2021	\$1,059,483
City of Daly City	Entitlement	Daly City	1	San Mateo	\$511,821	\$25,591	2/3/2021	\$511,821
City of Davis	Entitlement	City of Davis	1, 2, 6, and 8	Yolo	\$302,924	\$15,146	2/3/2021	\$302,924
City of El Monte	Entitlement	El Monte	2 and 9	Los Angeles	\$847,292	\$42,364	2/3/2021	\$847,292
City of Fairfield	Entitlement	Fairfield	6	Solano	\$390,910	\$19,545	2/3/2021	\$390,910
City of Farmersville	Nonentitlement	Farmersville	1	Tulare	\$98,260	\$4,913	2/3/2021	\$98,260
City of Fontana	Entitlement	Fontana	2, 6, 8, and 9	San Bernardino	\$981,122	\$49,056	2/3/2021	\$981,122
City of Fremont	Entitlement	Fremont	6	Alameda	\$641,160	\$32,058	2/3/2021	\$641,160
City of Garden Grove	Entitlement	Garden Grove	4, 6, and 9	Orange	\$994,343	\$49,717	2/3/2021	\$994,343
City of Grover Beach	Nonentitlement	Grover Beach	3	San Luis Obispo	\$121,182	\$6,059	2/3/2021	\$121,182
City of Hanford	Entitlement	Hanford	1 and 9	Kings	\$295,468	\$14,773	2/3/2021	\$295,468
City of Hayward	Entitlement	Hayward	6	Alameda	\$651,735	\$32,586	2/3/2021	\$651,735
City of King	Nonentitlement	King City	1, 3, and 6	Monterey	\$134,185	\$6,709	2/3/2021	\$134,185
City of La Mesa	Entitlement	La Mesa	6	San Diego	\$188,809	\$9,440	2/3/2021	\$188,809
City of Lancaster	Entitlement	Lancaster	1, 2, and 9	Los Angeles	\$694,855	\$34,742	2/3/2021	\$694,855
City of Lindsay	Nonentitlement	Lindsay	1	Tulare	\$117,214	\$5,860	2/3/2021	\$117,214
City of Los Angeles	Entitlement	Los Angeles	1, 6, and 9	Los Angeles	\$26,219,573	\$1,310,978	2/3/2021	\$26,219,573
City of Lynnwood	Entitlement	Lynnwood	6	Los Angeles	\$631,387	\$31,569	2/3/2021	\$631,387
City of Menifee	Entitlement	Menifee	9	Riverside	\$251,604	\$12,580	2/3/2021	\$251,604





DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT  
 Permanent Local Housing Allocation (PLHA) Program  
 February 26, 2020  
 Awardee List (as of 2/3/2021)

Applicant Name	Eligible Applicant Type	Local Government of PLHA Formula Allocation	*Activity No.	County	Approximate PLHA Formula Allocation Amount	Allowable Local Admin (5%)	Award Date	Awarded Amount
City of Mission Viejo	Entitlement	Mission Viejo	6	Orange	\$206,683	\$10,334	2/3/2021	\$206,683
City of Modesto	Entitlement	Modesto	1 and 6	Stanislaus	\$969,747	\$48,487	2/3/2021	\$969,747
City of Oroville	Nonentitlement	Oroville	2	Butte	\$137,051	\$6,852	2/3/2021	\$137,051
City of Palmdale	Entitlement	Palmdale	1, 2, 6, 7, and 9	Los Angeles	\$779,064	\$38,953	2/3/2021	\$779,064
City of Pasadena	Entitlement	Pasadena	1, 2, 6, and 9	Los Angeles	\$936,076	\$46,803	2/3/2021	\$936,076
City of Perris	Entitlement	Perris City	1	Riverside	\$466,532	\$23,326	2/3/2021	\$466,532
City of Placentia	Entitlement	Placentia	6	Orange	\$214,774	\$10,738	2/3/2021	\$214,774
City of Pomona	Entitlement	Pomona	2, 9	Los Angeles	\$1,068,445	\$53,422	2/3/2021	\$1,068,445
City of Redding	Entitlement	City of Redding	1, 2, and 6	Shasta	\$336,814	\$16,840	2/3/2021	\$336,814
City of Riverbank	Nonentitlement	Riverbank	2, 6, 7, 8, and 9	Stanislaus	\$122,063	\$6,103	2/3/2021	\$122,063
City of Riverside	Entitlement	Riverside	1 and 6	Riverside	\$1,622,125	\$81,106	2/3/2021	\$1,622,125
City of Salinas	Entitlement	Salinas	1, 2, 3, and 6	Monterey	\$1,006,847	\$50,342	2/3/2021	\$1,006,847
City of San Buenaventura	Entitlement	San Buenaventura	1, 6, and 9	Ventura	\$357,439	\$17,871	2/3/2021	\$357,439
City of San Jose	Entitlement	San Jose	6	Santa Clara	\$4,348,646	\$217,432	2/3/2021	\$4,348,646
City of San Mateo	Entitlement	San Mateo	1 and 6	San Mateo	\$341,894	\$17,094	2/3/2021	\$341,894
City of Santa Barbara	Entitlement	Santa Barbara	6	Santa Barbara	\$453,109	\$22,655	2/3/2021	\$453,109
City of Santa Monica	Entitlement	Santa Monica	1	Los Angeles	\$547,516	\$27,375	2/3/2021	\$547,516
City of Simi Valley	Entitlement	Simi Valley	6	Ventura	\$290,357	\$14,517	2/3/2021	\$290,357
City of South Lake Tahoe	Nonentitlement	South Lake Tahoe	9	El Dorado	\$165,703	\$8,285	2/3/2021	\$165,703
City of South San Francisco	Entitlement	South San Francisco	2 and 6	San Mateo	\$217,980	\$10,899	2/3/2021	\$217,980
City of Stockton	Entitlement	City of Stockton	1, 2, 3, and 9	San Joaquin	\$1,711,430	\$85,571	2/3/2021	\$1,711,430
City of Tustin	Entitlement	Tustin City	6	Organge	\$385,545	\$19,277	2/3/2021	\$385,545
City of Upland	Entitlement	City of Upland	1 and 6	San Bernardino	\$277,837	\$13,891	2/3/2021	\$277,837
City of Vallejo	Entitlement	Vallejo	1, 6, and 9	Solano	\$505,369	\$25,268	2/3/2021	\$505,369
City of Victorville	Entitlement	Victorville	6	San Bernardino	\$632,770	\$31,638	2/3/2021	\$632,770
City of Visalia	Entitlement	Visalia	6	Tulare	\$630,815	\$31,540	2/3/2021	\$630,815
City of Vista	Entitlement	Vista	6	San Diego	\$408,882	\$20,444	2/3/2021	\$408,882
City of Walnut Creek	Entitlement	Walnut Creek	6	Contra Costa	\$138,449	\$6,922	2/3/2021	\$138,449
City of Westminster	Entitlement	Westminster	6	Orange	\$510,577	\$25,528	2/3/2021	\$510,577
City of Winters	Nonentitlement	Winters	2 and 9	Yolo	\$88,783	\$4,439	2/3/2021	\$88,783
City of Woodland	Entitlement	Woodland	1 and 6	Yolo	\$248,989	\$12,449	2/3/2021	\$248,989
City of Yorba Linda	Entitlement	Yorba Linda	6	Orange	\$106,529	\$5,326	2/3/2021	\$106,529
County of Alameda	Entitlement	Oakland	6	Alameda	\$3,704,475	\$185,223	2/3/2021	\$3,704,475
County of Alameda	Entitlement	Alameda County	6	Alameda	\$933,865	\$46,693	2/3/2021	\$933,865
County of Kern	Entitlement	Kern County	6	Kern	\$2,160,344	\$108,017	2/3/2021	\$2,160,344
County of Monterey	Entitlement	Monterey County	1, 3, 5, and 6	Monterey	\$648,380	\$32,419	2/3/2021	\$648,380
County of Riverside	Entitlement	Riverside County	1 and 9	Riverside	\$3,996,171	\$199,808	2/3/2021	\$3,996,171
County of Riverside	Entitlement	Moreno Valley	1 and 9	Riverside	\$1,029,809	\$51,490	2/3/2021	\$1,029,809
County of Riverside	Entitlement	Indio City	1 and 9	Riverside	\$455,962	\$22,798	2/3/2021	\$455,962
County of Riverside	Entitlement	Hemet	1 and 9	Riverside	\$402,536	\$20,126	2/3/2021	\$402,536
County of Riverside	Entitlement	Cathedral City	1 and 9	Riverside	\$283,223	\$14,161	2/3/2021	\$283,223
County of Riverside	Entitlement	Temecula	1 and 9	Riverside	\$273,393	\$13,669	2/3/2021	\$273,393
County of Riverside	Entitlement	Lake Elsinore	1 and 9	Riverside	\$248,527	\$12,426	2/3/2021	\$248,527
County of Riverside	Entitlement	Palm Springs	1 and 9	Riverside	\$192,237	\$9,611	2/3/2021	\$192,237
County of San Mateo	Entitlement	San Mateo County	1 and 6	San Mateo	\$1,209,550	\$60,477	2/3/2021	\$1,209,550



DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT  
 Permanent Local Housing Allocation (PLHA) Program  
 February 26, 2020  
 Awardee List (as of 2/3/2021)

Applicant Name	Eligible Applicant Type	Local Government of PLHA Formula Allocation	*Activity No.	County	Approximate PLHA Formula Allocation Amount	Allowable Local Admin (5%)	Award Date	Awarded Amount
County of Santa Barbara	Entitlement	Santa Maria	1, 2, 6, and 9	Santa Barbara	\$733,471	\$36,673	2/3/2021	\$733,471
County of Siskiyou	Nonentitlement	Siskiyou County	1 and 5	Siskiyou	\$142,120	\$7,106	2/3/2021	\$142,120
County of Tulare	Nonentitlement	Tulare County	1 and 2	Tulare	\$583,584	\$29,179	2/3/2021	\$583,584
County of Yolo	Nonentitlement	Yolo County	2 and 6	Yolo	\$136,610	\$6,830	2/3/2021	\$136,610
San Joaquin County	Entitlement	San Joaquin County	6	San Joaquin	\$1,310,193	\$55,509	2/3/2021	\$1,310,193
San Luis Obispo County	Entitlement	County of San Luis Obispo	2, 3, and 6	San Luis Obispo	\$872,502	\$43,625	2/3/2021	\$872,502
Santa Cruz County	Nonentitlement	Santa Cruz County	1 and 6	Santa Cruz	\$565,952	\$28,297	2/3/2021	\$565,952
Sutter County	Nonentitlement	Sutter County	6	Sutter	\$116,333	\$5,816	2/3/2021	\$116,333
Town of Apple Valley	Entitlement	Apple Valley	6	San Bernardino	\$287,561	\$14,378	2/3/2021	\$287,561
Town of Truckee	Nonentitlement	Truckee	2	Nevada	\$104,652	\$5,232	2/3/2021	\$104,652
Ventura County	Entitlement	Ventura County	1, 2, and 3	Ventura	\$859,749	\$42,987	2/3/2021	\$859,749
Ventura County	Entitlement	Thousand Oaks	1, 2, and 3	Ventura	\$296,040	\$14,802	2/3/2021	\$296,040
<b>TOTAL PLHA ROUND 1 AWARDS (as of 2/3/2021)</b>								<b>\$150,754,735</b>

**\*Eligible activities are limited to the following:**

**Activity #1:** The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to Extremely low-, Very low-, Low-, or Moderate-income households, including necessary operating subsidies.

**Activity #2:** The predevelopment, development, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.

**Activity #3:** Matching portions of funds placed into Local or Regional Housing Trust Funds.

**Activity #4:** Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.

**Activity #5:** Capitalized Reserves for services connected to the preservation and creation of new permanent supportive housing.

**Activity #6:** Assisting persons who are experiencing or At-risk of homelessness, including, but not limited to, providing rapid re-housing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and **Activity #7:** Accessibility modifications in Lower-income Owner-occupied housing.

**Activity #8:** Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.

**Activity #9:** Homeownership opportunities, including, but not limited to, down payment assistance.

**Activity #10:** Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing Projects, or matching funds invested by a county in an affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the Project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the affordable housing Project.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF STATE FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670, 95833  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 263-2771  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



December 23, 2021

Vanessa Cooper, President  
Alameda Affordable Housing Corporation  
701 Atlantic Avenue  
Alameda, CA 94501

Dear Vanessa Cooper:

**RE: Award Announcement – Local Housing Trust Fund Program  
Notice of Funding Availability Fiscal Year 2021/2022  
Alameda Affordable Housing Trust Fund  
Contract No. 21-LHTFCOM-16920**

The California Department of Housing and Community Development (Department) is pleased to announce that Alameda Affordable Housing Corporation (Awardee) has been awarded a Local Housing Trust Fund (LHTF) program award in the amount of \$2,500,000. This letter constitutes notice of the designation of LHTF program funds for use in Alameda County.

Awardees will be able to draw down funds when the Standard Agreement is fully executed, and any general and special conditions have been cleared in writing.

The Department intends to issue a Standard Agreement within 90 days of receipt of the documentation required to execute this contract. A program representative will be in communication with you within a week to discuss and confirm any documents needed.

Congratulations on your successful application. For further information, please contact Doniell Cummings, LHTF Program Manager, Program Design and Implementation Branch, (916) 695-9006 or [Doniell.Cummings@hcd.ca.gov](mailto:Doniell.Cummings@hcd.ca.gov).

Sincerely,

Jennifer P. Seeger  
Deputy Director  
Division of State Financial Assistance

2021 DEC 27 PM 2:08  
RECEIVED  
THE CITY OF ALAMEDA



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

### MEMBERS

FIONA MA, CPA, CHAIR  
State Treasurer

BETTY YEE  
State Controller

JOE STEPHENSHAW  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
Nancee Robles

August 22, 2022

Vanessa Cooper  
Island City Development  
701 Atlantic Avenue  
Alameda, CA 94501

Email: [vcooper@alamedahsg.org](mailto:vcooper@alamedahsg.org)

**RE: CA-22-085 / North Housing PSH I**

Dear Ms. Cooper:

This letter is in response to the second appeal letter received on August 15, 2022, of the California Tax Credit Allocation Committee (“CTCAC”) point and final tie breaker score reduction and disqualification of the above referenced project. CTCAC staff reduced the Readiness to Proceed point category by ten (10) points, reduced the final tie breaker score, and disqualified the application for failure to demonstrate an enforceable commitment of funds for the City of Alameda.

### Enforceable Financing Commitments

The second appeal letter included a letter from the City of Alameda, dated Aug. 15, 2022, delineating the status of the funds. This letters states that the City of Alameda has control of the funds and has issued a commitment based upon Council action as well as being “*conditioned on the submission of the Action Plan to HUD.*” The letter again states that the HOME Investment Partnership Program (HOME) and the Community Development Block Grant (CDBG) funds were each conditional upon HUD accepting the already submitted Annual Action Plan. HUD has until Aug. 27, 2022, to reject the Annual Action Plan for both the HOME and CDBG funds. Therefore, that commitment is pending until Aug. 27, 2022, resulting in a lack of firm commitments for the project at the time of the CTCAC Application Round 2 deadline of June 30, 2022.

Following review of the appeal letters, the application, and CTCAC regulations, I find that the City of Alameda loans, specifically the HOME and CDBG funds still have outstanding conditions not resolved with HUD that are not within the control of the applicant and therefore not committed. Since those funds have been deemed not committed, and the PLHA and AHUF funds require all funds to

be committed, the PLHA and AHUF funds are not committed. As a result, the appeal for the City of Alameda loans is not granted.

Due to the City of Alameda funds still being deemed not committed, the application remains disqualified from the Round 2 application cycle.

Please feel free to contact Gabrielle Stevenson at [gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov) should you have any questions or concerns. If you wish to appeal this decision relating to the Enforceable Financing Commitments points and tiebreaker reduction or disqualification to the Committee, you may submit a final written appeal, along with a \$500 appeal fee, that must be received by CTCAC (copy [gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov) on any emails regarding this appeal) no later than 5:00 pm on August 29, 2022. Please address any written appeal to CTCAC's mailing address, and staff will distribute it to the Committee for consideration at the next CTCAC meeting.

Sincerely,



Nancee Robles  
CTCAC Executive Director



ISLAND CITY DEVELOPMENT  
701 Atlantic Avenue  
Alameda, CA 94501

August 26, 2022

Nancee Robles, Executive Director  
Board Members  
California Tax Credit Allocation Committee  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814

Via Email: [nancee.robles@treasurer.ca.gov](mailto:nancee.robles@treasurer.ca.gov); [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov);  
[gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov)

Via Fedex and TCAC staff distribution: Members of the Tax Credit Allocation Committee

RE: CA-22-085 / North Housing PSH I  
New Construction of 45-unit Permanent Supportive Housing

Dear Ms. Robles and Members of the Tax Credit Allocation Committee:

We appreciate the thoughtful consideration that you and other CTCAC staff have provided in the review of our previous two appeals. We have received the TCAC letter of August 22, 2022 via email and wish to formally appeal the decision for this project whereby CTCAC staff has reduced the Readiness to Proceed point category by ten (10) points, reduced the final tie breaker score, and disqualified the application for failure to demonstrate an enforceable commitment of funds for the City of Alameda.

Per 10325(f)(8) in the June 16, 2021 adopted Regulations of the California Tax Credit Allocation, the following conditions must be present:

- (A) Express authorization from the governing body committing the funds
- (B) Commitment shall be final, and only subject to conditions within the control of the applicant, with one exception the attainment of other financing sources including an award of tax credits
- (C) Fund commitment shall be from funds within the control of the entity providing the commitment at the time of the application
- (D) Evidence of value - N/A – waivers and exemptions not used in this project
- (E) Substitution of funds – N/A – not applicable at this time.

According to the CTCAC staff letter of 8/22/2022, the unresolved issue pertains to (B) The commitment is final only subject to conditions within the control of the applicant. CTCAC staff has stated that the City of Alameda loans, specifically the HOME and CDBG funds, still have “outstanding conditions not resolved with HUD that are not within the control of the applicant and therefore have not been committed.” We argue that the commitment between the Governing Body/Awarding Agency of the City of Alameda and the applicant *is the relationship and commitment pertinent to the TCAC regulations*, not the administrative relationship between the City of Alameda and HUD.

8/26/22

Island City Development

Page 2 of 3

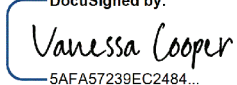
We have provided documentation from the City of Alameda regarding the nature of the aforementioned “conditions not resolved with HUD” in our previous appeals. The City of Alameda has said that the submittal of the Action Plan is ministerial, and that the City Council commitment is an express authorization of award from funds within the control of the City of Alameda. In addition, per the attached 24 CFR 91.500, HUD itself acknowledges that the Plan submittals are administrative – even if disapproved initially, the Plan can and should be re-submitted and HUD provides for those resubmittals. HUD is seeking documentation of the general process, not approval or disapproval of specific funding decisions. Thus, the ‘conditions not resolved with HUD’ are simply documentation of process issues – they are not project-specific and they are not a subject for applicant control because they are not in direct relationship to the applicant. The submittal and review status of the Action Plan by the City of Alameda are not related to the TCAC regulatory conditions for an enforceable commitment which are (A)-(E) above and are pertinent to the relationship between the Governing Body/commitment entity/City of Alameda.

The submittal of the Action Plan is ministerial and is simply part of the documentation of the City’s housing and community services process to HUD. It is not a loan approval process, as HUD is not directly awarding these funds. Thus, the fund commitment from the City of Alameda (Governing Agency) is final and only subject to conditions within the control of the applicant, such as negotiation of legal documents and obtaining tax credits. Per the City Council Agenda, the funds were all within control of the City of Alameda on June 7, 2022 and expressly committed on that date. The funds were previously awarded, previously collected, and previously budgeted. In addition, as in (A) above, the City is the entity that has the power to award these funds in their control.

We believe that this discussion supports the ability of the Committee to find that the local funds meet the definition of ‘committed’ as written in the CTCAC regulations. We strongly urge the Committee to rely on the award language between the Governing Body and the Applicant which the commitments clearly meet.

We thank you for your consideration of these clarifications of our application and are happy to discuss with you as needed.

Sincerely,

DocuSigned by:  
  
5AFA57239EC2484...

Vanessa Cooper  
President

#### Attachments

1. Copy of Appeal Fee
2. HUD Notice CPD-22-05
3. Appeal dated 8/1/22 and response
4. Appeal dated 8/15/22 and response

Cc: Lisa Fitts, City of Alameda

**Island City Development**  
**701 Atlantic Avenue**  
Alameda CA 94501-2161

U. S. Bank  
Alameda CA 94501  
90-2237/1211

1783

\*\*\*\* FIVE HUNDRED AND 00/100 DOLLARS

PAY  
TO THE  
ORDER OF

08/26/2022

\$500.00\*\*\*\*\*

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
915 CAPITOL MALL, SUITE 485  
SACRAMENTO, CA 95814

*Vanessa Cooper*  
*Janet Baska*

AUTHORIZED SIGNATURE

⑈001783⑈ ⑆121122676⑆ 157504664275⑈

DATE:08/26/2022 CK#:1783 TOTAL:\$500.00\*\*\*\*\* BANK:Island City Development(4530)  
PAYEE:CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE(10301037)

Property Address - Code	Invoice - Date	Description	Amount
ICD - North Housing PSH - 4536a	20220826 - 08/22/2022	CA-22-085, North Housing PSH I TCAC	500.00
			<u>500.00</u>

**Island City Development**  
**701 Atlantic Avenue**  
Alameda CA 94501-2161

U. S. Bank  
Alameda CA 94501  
90-2237/1211

1783

\*\*\*\* FIVE HUNDRED AND 00/100 DOLLARS

PAY  
TO THE  
ORDER OF

08/26/2022

\$500.00\*\*\*\*\*


CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
915 CAPITOL MALL, SUITE 485  
SACRAMENTO, CA 95814

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 Displaying title 24, up to date as of 8/24/2022. Title 24 was last amended 6/27/2022.

## **Title 24 - Housing and Urban Development**

### **Subtitle A - Office of the Secretary, Department of Housing and Urban Development**

#### **Part 91 - Consolidated Submissions for Community Planning and Development Programs**

##### **Subpart F - Other General Requirements**

###### **§ 91.500 HUD approval action.**

- (a) **General.** HUD will review the plan upon receipt. The plan will be deemed approved 45 days after HUD receives the plan, unless before that date HUD has notified the jurisdiction that the plan is disapproved.
- (b) **Standard of review.** HUD may disapprove a plan or a portion of a plan if it is inconsistent with the purposes of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12703), if it is substantially incomplete, or, in the case of certifications applicable to the CDBG program under §§ 91.225 (a) and (b) or 91.325 (a) and (b), if it is not satisfactory to the Secretary in accordance with §§ 570.304, 570.429(g), or 570.485(c) of this title, as applicable. The following are examples of consolidated plans that are substantially incomplete:
  - (1) A plan that was developed without the required citizen participation or the required consultation;
  - (2) A plan that fails to satisfy all the required elements in this part; and
  - (3) A plan for which a certification is rejected by HUD as inaccurate, after HUD has inspected the evidence and provided due notice and opportunity to the jurisdiction for comment; and
  - (4) A plan that does not include a description of the manner in which the unit of general local government or state will provide financial or other assistance to a public housing agency if the public housing agency is designated as "troubled" by HUD.
- (c) **Written notice of disapproval.** Within 15 days after HUD notifies a jurisdiction that it is disapproving its plan, it must inform the jurisdiction in writing of the reasons for disapproval and actions that the jurisdiction could take to meet the criteria for approval. Disapproval of a plan with respect to one program does not affect assistance distributed on the basis of a formula under other programs.
- (d) **Revisions and resubmission.** The jurisdiction may revise or resubmit a plan within 45 days after the first notification of disapproval. HUD must respond to approve or disapprove the plan within 30 days of receiving the revisions or resubmission.

*(Approved by the Office of Management and Budget under control number 2506-0117)*

*[60 FR 1896, Jan. 5, 1995, as amended at 60 FR 56909, Nov. 9, 1995; 61 FR 54920, Oct. 22, 1996; 71 FR 6970, Feb. 9, 2006]*



ISLAND CITY DEVELOPMENT  
701 Atlantic Avenue  
Alameda, CA 94501

August 15, 2022

Nancee Robles, Executive Director  
California Tax Credit Allocation Committee  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814

Via Email: [nancee.robles@treasurer.ca.gov](mailto:nancee.robles@treasurer.ca.gov); [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov)

RE: CA-22-085 / North Housing PSH I  
New Construction of 45-unit Permanent Supportive Housing

Dear Ms. Robles:

We have received two TCAC letters of August 8, 2022 via email and wish to formally appeal the decision for this project. In addition to our previous responses, we wish to provide additional clarification of the nature of the commitment for the funds under the City of Alameda's jurisdiction.

Per 10325(f)(8) in the June 16, 2021 adopted Regulations of the California Tax Credit Allocation, the following conditions must be present:

- (A) Express authorization from the governing body committing the funds
- (B) Commitment shall be final, and only subject to conditions within the control of the applicant, with one exception the attainment of other financing sources including an award of tax credits
- (C) Fund commitment shall be from funds within the control of the entity providing the commitment at the time of the application
- (D) Evidence of value - N/A – waivers and exemptions not used in this project
- (E) Substitution of funds – N/A – not applicable at this time.

Please see below for further clarification of how the commitment meets these regulations:

- (A) For all four of the funding sources (HOME, CDBG, PLHA, and AHUF/Inclusionary), the governing body is the City of Alameda. No other entity (HUD, the County, etc.) is allowed to award these funds. This is evidenced by the Executive Summary of Agenda Item 2022-1929 June 7, 2022 of the City Council of the City of Alameda (attached), which clearly says that the City had already been awarded the HOME and CDBG funds, and that all the 'funds described in the report have been budgeted in the CDBG Fund, HOME Fund, Affordable Housing Fund, and Permanent Local Housing Allocation Project (see Financial Impact session). The City Council action on June 7, 2022, provides express authorization to the Interim City Manager to allocate funds, negotiate and executive documents, etc. to utilize the funds:

**Conduct a public hearing to consider adoption of the CDBG/HOME FY 2022-23 Action Plan; authorize the Interim City Manager to use affordable housing unit fee and permanent local housing allocation funds; and authorize the Interim City Manager to negotiate and execute related documents, agreements, and modifications at funding levels approved by Congress.**

8/15/22

Island City Development

Page 2 of 2

- (B) The commitment on June 7, 2022 is only subject to conditions within the control of the applicant. The submittal of the Action Plan is ministerial and is simply part of the documentation of the City's housing and community services process to HUD. It is not an approval process, as HUD is not directly awarding these funds. Thus, the commitment is final and only subject to conditions within the control of the applicant, such as negotiation of legal documents and obtaining tax credits.
- (C) Funds are within the control of the entity providing the commitment. Per the City Council Agenda, the funds were all within control of the City of Alameda on June 7, 2022. The funds were previously awarded, previously collected, and previously budgeted. In addition, as in (A) above, the City is the entity that has the power to award these funds in their control.

The attached letter from the City of Alameda supports the ability of the Executive Director to find that the local funds meet the definition of 'committed' as written in the CTCAC regulations. In other attachments, we provide more explanation of the process and award, but we strongly urge the Executive Director to rely upon the three conditions above, which the commitments clearly meet.

Per 10325(c)(9)(A)(i), the regulations provided the following exception:

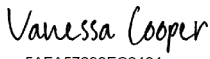
- (1) documented as a waived fee pursuant to a nexus study and relevant State Government Code provisions regulating such fees or
- (2) the off-sites must be developed by the sponsor as a condition of local approval and those off-sites consist solely of utility connections, and curbs, gutters, and sidewalks immediately bordering the property.

In addition to our previous responses, we wish to note that as shown on the site plan in the architectural drawings, all three streets: Mosley Avenue, Lakehurst Circle, and Mabuhay Street are bordering the project where the curbs, sidewalks, gutters, and utility connections are located and required to serve the proposed development. The project site is vacant land and offsite improvements are required as a condition of local approval.

We thank you for your consideration of these clarifications of our application and are happy to discuss with you as needed.

Sincerely,

DocuSigned by:

  
5AFA57239EC2484...  
Vanessa Cooper  
President

Attachments

1. City of Alameda Clarification 8/15/2022
2. June 7, 2022 City Council Meeting Agenda Item 2022-1929
3. Previous Clarification Correspondences

## City of Alameda · California



August 15, 2022

Nancee Robles, Executive Director  
California Tax Credit Allocation Committee  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814

RE: CA-22-085/North Housing PSH I

Dear Ms. Robles:

We have been asked to clarify our letter of June 22, 2022 regarding the North Housing PSH I development. In particular, this letter clarifies the conditions of the approvals.

First, we would like to clarify that the City of Alameda is the governing agency for these funds, and the June 7, 2022 City Council action expressly authorized the Interim City Manager to award and execute the loan agreements for this project. In addition, the City has issued a commitment based upon Council action and conditioned on the submission of the Action Plan to HUD, which is an administrative action on the part of the City, not the applicant. Finally, the fund commitment is from funds within the control of the City of Alameda, such as previous awards, direct allocations, or fees previously received.

As further explanation of the process:

- 1) HOME Investment Partnership Program (HOME) – As a member of the Alameda County HOME Investment Partnership Program (HOME Consortium), the City has been awarded \$245,827 in FY 2022-23 HOME Program funds, which will be used for the \$115,000 in HOME funds committed to the North Housing PSH I project. The City Council adopted this funding allocation on June 7, 2022 and there is no further City Council or County action needed for this funding. The Annual Action Plan was then submitted to HUD on July 13, 2022 and represents the third year of implementation of the five-year Consolidated Plan. It is deemed to be accepted if HUD has not indicated otherwise by August 27, 2022. Based on past experience, we expect that HUD will accept the submission.
- 2) Community Development Block Grant (CDBG) – For FY 2022-23, HUD has awarded \$1,139,561 in CDBG funds to the City of which \$321,000 will be used to fund the North Housing PSH I project. The City Council adopted this funding allocation on June 7, 2022, and there is no further City Council or County action needed for this funding. The Annual Action Plan was then submitted to HUD on July 13, 2022 and represents the third year of implementation of the five-year Consolidated Plan. It is deemed to be accepted if HUD has not indicated otherwise by August 27, 2022. Based on past experience, we expect that HUD will accept the submission.

Ms. Nancee Robles

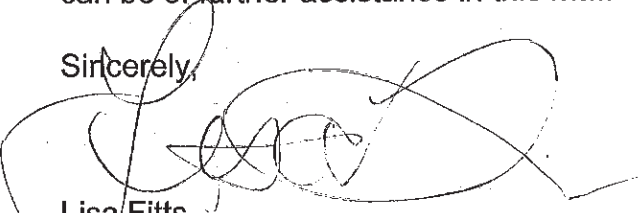
August 15, 2022

Page 2

- 3) Permanent Local Housing Allocation (PLHA) – The June 7, 2022 action by the City Council awarded these funds subject to completion of legal documents and receipt of a viable financing plan.
- 4) Affordable Housing Unit Fee (AHUF) – The June 7, 2022 action by the City Council awarded these funds subject to completion of legal documents and receipt of a viable financing plan.

We strongly support the proposed development in the City of Alameda. Please let me know if I can be of further assistance in this matter.

Sincerely,



Lisa Fitts  
Interim Base Reuse Manger  
City of Alameda

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**Details**

File #: 2022-1929

Type: Regular Agenda Item

Body: [City Council](#)

On agenda: 6/7/2022

**Title:** Public Hearing to Consider Adoption of the Community Development Block Grant/HOME Investment Partnerships Program Fiscal Year (FY) 2022-23 Action Plan; Authorize the Interim City Manager to Use Affordable Housing Unit Fee and Permanent Local Housing Allocation Funds; and Authorize the Interim City Manager to Negotiate and Execute Related Documents, Agreements, and Modifications at Funding Levels Approved by Congress. (Community Development 203, 201, 208 & 222)

**Attachments:** 1. [Exhibit 1 - Draft Action Plan](#), 2. [Exhibit 2 - Draft Summary of Activities](#), 3. [Presentation](#)

Text

Public Hearing to Consider Adoption of the Community Development Block Grant/HOME Investment Partnerships Program Fiscal Year (FY) 2022-23 Action Plan; Authorize the Interim City Manager to Use Affordable Housing Unit Fee and Permanent Local Housing Allocation Funds; and Authorize the Interim City Manager to Negotiate and Execute Related Documents, Agreements, and Modifications at Funding Levels Approved by Congress. (Community Development 203, 201, 208 & 222)

To: Honorable Mayor and Members of the City Council

**EXECUTIVE SUMMARY**

The City of Alameda (City) is an entitlement recipient of Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). Fiscal year (FY) 2022-23 represents the third year of implementation for the five-year Consolidated Plan, which is a planning document required by HUD to be submitted by all jurisdictions that directly receive HUD funds. Recommendations for program funding for Public Services is included in Exhibit 2.

HUD has awarded \$1,139,561 in CDBG funds to the City for FY 2022-23. As a member of the Alameda County HOME Partnership Investment Program (HOME Consortium), the City has also been awarded \$245,827 in FY 2022-23 HOME Program funds. The total FY 2022-23 budget for CDBG and HOME is \$3,693,578, which includes approximately \$1,850,364 of funds carried forward from previous years and projected program income receipts of \$72,000. In addition to the federal funds, staff made available through a Notice of Funding Availability (NOFA) \$750,000 of Affordable Housing Unit Fee (AHUF) Funds. However, the requests for this funding exceeded \$5 million. Staff proposes using \$25,000 of Permanent Local Housing Allocation (PLHA) funds to cover a small portion of the gap.

This public hearing is an opportunity for the community to provide input on the proposed programs and projects for the upcoming fiscal year that will be funded with CDBG, HOME, AHUF and a portion of the PLHA funds.

**BACKGROUND**

The City is an entitlement recipient of CDBG funds from HUD. CDBG funds support programs and activities that benefit low- and moderate-income persons and households and which help prevent or eliminate blight. Each year, entitlement cities must follow a process to receive public input, establish community goals and prepare a budget for the coming year. As a condition of funding, the City is required to submit an annual "Action Plan" to HUD. The Action Plan details the programs, activities and resources that will be used to address the housing and community development priority needs and goals.

In preparing the FY 2020-25 Consolidated Plan, the City consulted with various community stakeholders, including community-based service providers, residents, and City departments and boards. The community stakeholders helped establish priority needs and objectives and proposed strategies in the form of projects and activities to further those objectives. On December 9, 2021, the Social Service Human Relations Board (SSHRB) discussed priority needs and made a recommendation to the City Council regarding public service needs for the upcoming fiscal year. A public hearing regarding public service needs was held at the City Council's January 4 meeting. No written comments were received and the City Council adopted the needs statement as recommended by the SSHRB. On January 18, staff posted a Notice of Funding Availability (NOFA) and Request for Proposals (RFP) for CDBG, HOME and AHUF funds.

CDBG funding for the upcoming fiscal year is derived from two sources: CDBG entitlement funds that are allocated by HUD and program income that is generated from CDBG loan repayments. HUD has awarded the City \$1,139,561 in CDBG entitlement funding for FY 2022-23. Program income is generated from CDBG loans that have been issued through the residential rehabilitation programs. Because this program income will continue to be received through June 30, 2022, the actual amount of program income has yet to be finalized, but is estimated to be \$72,000.

In order to adhere to HUD timing requirements, staff has prepared recommendations for a CDBG allocation of \$1,139,561 for the FY 2022-23 Action Plan period, and an estimated \$72,000 in program income from CDBG loan repayments in FY 2022-23. In addition, as a member of the Alameda County HOME Consortium, the City has been awarded \$245,827 in HOME funding from the County as a subrecipient. Additionally, based on City Council direction given at the the December 7, 2021 City Council meeting, staff made available \$750,000 of AHUF funds for housing development through a NOFA.

The City has taken steps to meet the citizen participation requirements, including noticing an open and public hearing, with publication of the notice in the April 1, 2022 *Alameda Sun* newspaper, as well as in Chinese, Spanish, Tagalog, and Vietnamese-language newspapers. Accommodations are also available for non-English speaking residents and persons with disabilities to participate in the public comment process.

**DISCUSSION**

The City is one of eight jurisdictional members of the HOME Consortium through which the County allocates portions of its HOME allocation to participating jurisdictions. Each member of the HOME Consortium must prepare its individual Action Plan. As the lead agency, Alameda County coordinates the timing and final submission of the Action Plan to HUD.

**CDBG Funding Allocation**

The City prepares an annual Action Plan that identifies specific objectives and the proposed uses of CDBG funds. The Action Plan funding recommendations are based on needs identified through a number of community meetings and reports, including:

- Alameda County report on Analysis of Impediments to Fair Housing
- Alameda County EveryOne Home reports
- City Council Annual Public Needs Hearing
- City of Alameda Community Needs Assessment
- Consultation with community-based organizations
- Domestic Violence Task Force
- SSHRB meeting on public services needs
- Road Home: A 5 Year Plan to Prevent and Respond to Homelessness in Alameda

The draft FY 2022-23 Action Plan is attached as Exhibit 1. The proposed activities for FY 2022-23 are intended to address both the current urgent needs that arose from the coronavirus and subsequent shelter-in-place orders while also preparing the City and its most vulnerable residents for recovery from the pandemic.

#### Public Services

Funding for the next fiscal year is derived from two sources: entitlement funds that are allocated by HUD and program income that is generated from CDBG loan repayments. HUD requires that public services funding be capped at 15 percent of the total current year's grant allocation plus program income received in the previous fiscal year. Because the program income will continue to be received through June 30, 2022, the actual amount of program income is to be determined. The current year CDBG entitlement is \$1,139,561 and the estimated program income for FY 2021-22 is approximately \$299,000. As a result, the maximum CDBG that may be allocated to public services is to be \$215,927.

Staff reviewed the public service funding requests and estimated amount of CDBG funds available for public services at the March 24 SSHRB meeting. At this meeting, it was shared that the funding requests of \$270,773 were in excess of the estimated funding available. After the presentation, the SSHRB heard public comment and approved funding recommendations as well as a plan for pro rating any additional funds received before the end of the fiscal year. The attached FY 2022-23 Action Plan Summary of Activities Recommended for Funding (Exhibit 2) reflects SSHRB's recommendations. In order to fund the service providers at the amounts shown, information and referral services will be paid for with CDBG administrative funds and the first \$25,000 of Midway Shelter expenses will be paid with funds from the PLHA fund. Supplementing the CDBG funding with these two sources of available funds is necessary to fund the public services.

#### CDBG Provider Past Performance

In accordance with HUD requirements, following is data on service provider past performance under the current contracts. Listed below are the CDBG-funded service providers who applied for funding, their service offerings, annual goals for number of people served, and the actual number of persons who benefited from the program in FY 2020-21:

Service Provider	Service Offering	Annual Goal	FY 20-21
Alameda Family Services	Mental Health Counseling	45	55
Alameda Food Bank	Emergency Food Distribution	2,200	10,537
Building Futures	Shelter & Counseling	85	120
Eden Council for Hope & Opportunity (ECHO)	Fair Housing Counseling	65	69
Eden Information & Referral	Information & Referral	350	397
Family Violence Law Center	Family Violence Prevention	25	43
Legal Assistance for Seniors	Legal Assistance for Alameda Seniors	48	67
Alameda Point Collaborative	Economic Development	10	23

Due to the COVID-19 pandemic and its economic impact on community members, the number of low-income households and the need for services has increased dramatically during the past two years. Fortunately, all of the service providers were able to adapt their service delivery models and, as a result, all of the service providers exceeded their annual goals.

#### Public Improvements

The City received two applications for public improvement projects for the upcoming fiscal year, one from the Alameda Boys & Girls Club (ABGC) and another from Island City Development, a non-profit affiliate of the Alameda Housing Authority, for a total request of \$864,311. ABGC requested \$264,311 to design, plan, and obtain permits (as applicable) to pave the driveway from Third Street to the end of the parking lot, which spans 625 feet with variable widths. Island City Development requested \$600,000 to make site and infrastructure improvements at the North Housing Site to prepare for the future development of 45 units of permanent supportive housing. The project is anticipated to assist 45-90 persons. Staff contacted ABGC to find out what level of funding would allow the project to progress and ABGC staff confirmed that the full amount is needed to complete the project within 12 months and that a smaller amount might result in breaking the project in two phases - one for planning and a subsequent year for getting the work done. Staff has proposed that ABGC be funded up to its full request and that Island City Development be awarded the remaining available funds of \$321,927 plus any additional funds that become available up to the full request of \$600,000. Funds may become available after the City Council meeting in one of the following ways:

- 1) CDBG loans are paid off in full in advance of the due date; and
- 2) CDBG projects have leftover funds.

#### Residential Rehabilitation

Due to staff transitions at both the Alameda Fire Department, which manages the Housing Safety Program, and the Community Development Department, staff is proposing to publish a Request for Proposals for a third-party administrator of the Residential Rehabilitation Program. This model has been successfully implemented by Albany, Berkeley, San Leandro and Union City. The administrator would be responsible for the following types of work: updating program guidelines and priorities, marketing the program, fielding inquiries, developing a scope of work, preparing loan documents, and construction management. Consequently, residential rehabilitation is minimally funded pending staffing of the administrator.

Substantial rehabilitation funds have been allocated as is required per the Guyton Settlement. While staff received an application for a residential rehabilitation loan of \$195,000 at a 186-unit building, there are not sufficient funds available to fund the request in the upcoming fiscal year.

#### **Administrative Funds**

Administrative funds have been included as permitted by HUD guidelines. As described in the public services section, by paying for Eden Information & Referral services with CDBG administrative funds, more public service funds are available for the remaining service providers.

#### **Carry-Forward Funds**

Carry-forward funds are for projects that are in progress with appropriated but unexpended funds from the prior year. Per HUD requirements, carry-forward funds are encumbered within the same grant year until a project is completed or a replacement project is identified and funds are reprogrammed to the new project. Based on project balances as of April 30, 2023, the Action Plan includes approximately \$1,850,364 of carry-forward funds; \$385,826 of these funds are from completed project and have been made available to fund the proposed projects.

#### **HOME & Affordable Housing Funding Allocation and Activities**

As a member of the HOME Consortium, the City has been awarded \$245,827 in FY 2022-23 HOME funds of which approximately \$14,041 may be used for administrative purposes. As stated in the NOFA, all applicants for HOME housing development funds were considered for Affordable Housing funds as well.

The City received three applications totaling \$3,163,000 in HOME funding requests. Mercy Housing requested \$1,250,000 for 1245 McKay Avenue, a 101-unit development for formerly homeless seniors in Alameda. Island City Development requested \$1,718,000 to build forty-five units of permanent supportive housing for formerly homeless individuals or households at North Housing PSH I, located approximately at 501 Mosley Avenue. Vue Alameda requested \$195,000 for the rehabilitation and conversion of existing market-rate housing at Rica Vista Apartments, located at 1825 Poggi Street, to rent-restricted affordable housing. Staff proposes to split the HOME and AHUF funds between the two permanent, supportive housing projects for formerly homeless individuals, 1245 McKay Avenue and North Housing PSH I. Currently, the City is carrying forward \$332,330 of HOME funds that have been allocated to 1245 McKay. These funds would be made available to the McKay project in addition to those described above. To comply with HUD requirements, staff will first use the oldest funds available. All projects will be subject to Davis Bacon wage monitoring and any other federal requirements.

#### **ALTERNATIVES**

In connection with the holding of this public hearing to consider adoption of the CDBG/HOME FY 2022-23 Action Plan, City Council -could receive public input and:

- Authorize the Interim City Manager to also use AHUF and PLHA Funds; and authorize the Interim City Manager to negotiate and execute related documents, agreements, and modifications to implement the programs described above.
- Direct staff to consider other new programs for funding as long as those programs are consistent with HUD guidelines (e.g., assistance is limited to low-income residents, funding caps are followed, etc.).
- Modify staff's recommendations, such as by making changes to the programs to be funded or revising the proposed funding allocation among the proposed projects as long as those changes are consistent with HUD guidelines.
- Decline to move forward with adopting the proposed CDBG/HOME FY 2022-23 Action Plan at this time, which would result in the loss of CDBG and HOME funding for the upcoming fiscal year.

#### **FINANCIAL IMPACT**

There is no impact to the General Fund to approve the FY 2022-23 CDBG/HOME Action Plan. The funds described in this report have been budgeted in the CDBG Fund (203), HOME Fund (201), Affordable Housing Fund (208), and Permanent Local Housing Allocation Project (G24100).

#### **MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE**

The proposed Action Plan is consistent with the City's CDBG Five-Year Strategic Plan and citizen participation requirements.

#### **ENVIRONMENTAL REVIEW**

The execution of related agreements and final funding commitments are subject to the requirements of the National Environmental Policy Act (NEPA) and satisfactory environmental clearance pursuant to 24 CFR Part 58. Additionally, the proposed action is not a project pursuant to California Environmental Quality Act (CEQA) because it is an organizational or administrative activity of the City that will not result in direct or indirect physical changes in the environment (CEQA Guidelines, section 15378 (b) (5)) and therefore no environmental review is required.

#### **CLIMATE IMPACT**

There are no identifiable climate impacts or climate action opportunities associated with the subject of this report.

#### **RECOMMENDATION**

Conduct a public hearing to consider adoption of the CDBG/HOME FY 2022-23 Action Plan; authorize the Interim City Manager to use affordable housing unit fee and permanent local housing allocation funds; and authorize the Interim City Manager to negotiate and execute related documents, agreements, and modifications at funding levels approved by Congress.

Respectfully submitted,  
Lisa Nelson Maxwell, Community Development Director

By,  
Lisa Fitts, Community Development Program Manager



Financial Impact section reviewed,  
Margaret O'Brien, Finance Director

Exhibits:

1. Draft FY 2022-23 Action Plan
2. Draft FY 2022-23 Summary of Activities

cc: Dirk Brazil, Interim City Manager  
Social Service Human Relations Board



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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915 Capitol Mall, Suite 485  
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Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
Nancee Robles

August 22, 2022

Vanessa Cooper  
Island City Development  
701 Atlantic Avenue  
Alameda, CA 94501

Email: [vcooper@alamedahsg.org](mailto:vcooper@alamedahsg.org)

**RE: CA-22-085 / North Housing PSH I**

Dear Ms. Cooper:

This letter is in response to the second appeal letter received on August 15, 2022, of the California Tax Credit Allocation Committee (“CTCAC”) point and final tie breaker score reduction and disqualification of the above referenced project. CTCAC staff reduced the Readiness to Proceed point category by ten (10) points, reduced the final tie breaker score, and disqualified the application for failure to demonstrate an enforceable commitment of funds for the City of Alameda.

### Enforceable Financing Commitments

The second appeal letter included a letter from the City of Alameda, dated Aug. 15, 2022, delineating the status of the funds. This letters states that the City of Alameda has control of the funds and has issued a commitment based upon Council action as well as being “*conditioned on the submission of the Action Plan to HUD.*” The letter again states that the HOME Investment Partnership Program (HOME) and the Community Development Block Grant (CDBG) funds were each conditional upon HUD accepting the already submitted Annual Action Plan. HUD has until Aug. 27, 2022, to reject the Annual Action Plan for both the HOME and CDBG funds. Therefore, that commitment is pending until Aug. 27, 2022, resulting in a lack of firm commitments for the project at the time of the CTCAC Application Round 2 deadline of June 30, 2022.

Following review of the appeal letters, the application, and CTCAC regulations, I find that the City of Alameda loans, specifically the HOME and CDBG funds still have outstanding conditions not resolved with HUD that are not within the control of the applicant and therefore not committed. Since those funds have been deemed not committed, and the PLHA and AHUF funds require all funds to

CA-22-085 / North Housing PSH I  
Page 2

August 22, 2022

be committed, the PLHA and AHUF funds are not committed. As a result, the appeal for the City of Alameda loans is not granted.

Due to the City of Alameda funds still being deemed not committed, the application remains disqualified from the Round 2 application cycle.

Please feel free to contact Gabrielle Stevenson at [gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov) should you have any questions or concerns. If you wish to appeal this decision relating to the Enforceable Financing Commitments points and tiebreaker reduction or disqualification to the Committee, you may submit a final written appeal, along with a \$500 appeal fee, that must be received by CTCAC (copy [gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov) on any emails regarding this appeal) no later than 5:00 pm on August 29, 2022. Please address any written appeal to CTCAC's mailing address, and staff will distribute it to the Committee for consideration at the next CTCAC meeting.

Sincerely,



Nancee Robles  
CTCAC Executive Director



ISLAND CITY DEVELOPMENT  
701 Atlantic Avenue  
Alameda, CA 94501

August 1, 2022

Mr. Anthony Zeto  
CTCAC  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814

Email: [Timothy.Handy@treasurer.ca.gov](mailto:Timothy.Handy@treasurer.ca.gov); [Carmen.Doonan@treasurer.ca.gov](mailto:Carmen.Doonan@treasurer.ca.gov);  
[Gabrielle.Stevenson@treasurer.ca.gov](mailto:Gabrielle.Stevenson@treasurer.ca.gov); [Anthony.ZETO@treasurer.ca.gov](mailto:Anthony.ZETO@treasurer.ca.gov);  
[Janice.Corbin@treasurer.ca.gov](mailto:Janice.Corbin@treasurer.ca.gov)

Re: CA-22-085/North Housing PSH I

Dear Mr. Zeto:

We have received two TCAC letters of July 25, 2022 via email and wish to formally appeal the staff's scoring and reduction of the tiebreaker for this project.

1. **Formal appeal of adjustment to not include funding of \$1,261,000 from the City of Alameda CDBG, HOME, PLHA and AHUF for Readiness to Proceed points and tiebreaker**
  - Please see the City of Alameda's clarification of their letter of June 22, 2022, attached, more clearly delineates the status of the funds. The HOME and CDBG funds are only conditional for environmental and subsidy layering review, which is typical and cannot be completed until all funds, including tax credits, have been awarded. These funds should be deemed committed.
  - The City of Alameda administers HOME funds within its jurisdiction via a contract from the County of Alameda <https://www.acgov.org/cda/hcd/rhd/homefunding.htm>. The County maintains oversight but no specific approval, and the City is responsible for RFPs, awards, and administration. The award was made by City Council and the award was submitted in its HUD Action Plan. The HUD Action plan is deemed approved unless HUD responds in the negative and HUD has never done so previously in our past experience. This funding should be deemed committed.



- The City's CDBG funds award was made by City Council and is subject to the same HUD Action plan submittal. This funding should be deemed committed.
- The Annual Action Plan described in the City of Alameda letter of June 22, 2022 is defined below. It is only for federal funding.

The **Consolidated Plan** is designed to help states and local jurisdictions to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions. The consolidated planning process serves as the framework for a community-wide dialogue to identify housing and community development priorities that align and focus funding from the CPD formula block grant programs: [Community Development Block Grant \(CDBG\) Program](#), [HOME Investment Partnerships \(HOME\) Program](#), [Emergency Solutions Grants \(ESG\) Program](#), and [Housing Opportunities for Persons With AIDS \(HOPWA\) Program](#).

The Consolidated Plan is carried out through **Annual Action Plans**, which provide a concise summary of the actions, activities, and the specific federal and non-federal resources that will be used each year to address the priority needs and specific goals identified by the Consolidated Plan. Grantees report on accomplishments and progress toward Consolidated Plan goals in the **Consolidated Annual Performance and Evaluation Report (CAPER)**.

- PLHA is State of California funding per SB 2 The Jobs and Housing Act. AHUF is City of Alameda funding per the 1989 Affordable Housing Ordinance that collects in-lieu fees. PLHA and AHUF are not subject to the HUD Action Plan.
  - Per the PLHA Program 2021 Formula Component NOFA (attached), the PLHA funds are only subject to a request, which does not require approval, as they are part of the noncompetitive 'formula grant' of the authorizing legislation per SB-2 Building Homes and Jobs Act, 50470. The City of Alameda has passed its threshold requirements in 2020 (see attached Awardee List as of 2/3/2021), and thus only has to submit their annual award request and self-certify that they are in compliance. These funds should be deemed committed.
  - Please note that the AHUF funds in the City of Alameda letter are not conditioned on HUD or County action. They are local affordable housing in-lieu fees. Therefore, they are not subject to the City Action Plan which is only for HUD funding. They are only subject to the usual funding requirements such as satisfactory completion of legal documents and receipt of all other project funding. These funds should be deemed committed.
  - We would also respectfully note that the development could defer additional developer fee if needed to cover one of these sources during construction or permanent phases.
2. **Formal appeal of adjustment to not include funding of \$5,000,000 for Readiness to Proceed points and tiebreaker.**
- Tab 2 and Tab 15 AHA Financing Commitment contains a letter from the Housing Authority of the City of Alameda dated June 30, 2022 including Housing Trust Funds, that

8/1/22

Island City Development

Page 3 of 3

is an enforceable commitment of \$8,660,000. The State Local Housing Trust Funds match were committed in December 2021, which is how the AHA could remove the contingent nature of the letter dated July 21, 2021 (Tab 15 – AAHTF Loan Fund Commitment). In other words, it updated its older letter. The SLHTF funds do not go directly to the project – they go to the Housing Authority, via its wholly owned affiliate, the Alameda Affordable Housing Corporation. We include the SLHTF award to AAHC as an attachment. The full funds of \$5,000,000 should be deemed committed.

### 3. Formal appeal of exclusion of off-site cost deemed ineligible

- The TCAC letter of 7/25/22 states that there is only a ‘narrow type of offsite costs for curbs, sidewalks, gutters, and utility connections.... qualify as eligible costs” Tab 12, page 2, says:

- Offsite improvements include utility connections, landscaping, and accessible sidewalks which will serve the proposed development. These costs are qualified project specific costs per Reg 10325.c.9.A, required by the Conditions of Approval, and are included in basis. There are no other off-site costs. The cost is \$411,230.

It describes exactly the narrow type of offsite uses and describes them as ‘qualified costs per Reg 10325.c.9.A.’ certifying that they border the project. On page 3 of Tab 12, the detailed description of the offsites shows ac paving and striping of \$42,720 and \$4,200 respectively, which was an error, as they do not meet the definition, although they do border the project. However, the other costs of \$364,311 are qualified costs and should not be deducted from the public funds section of the tie breaker calculation.

- The CMPR opinion letter is solely to define eligible basis for tax purposes and was not intended to define eligibility for other TCAC guidelines.

We thank you for your consideration of these clarifications of our application and are happy to discuss with you as needed.

Sincerely,

DocuSigned by:

*Vanessa Cooper*

5AFA57239EC2484...  
VANESSA COOPER

President

### Attachments

- 1.City of Alameda clarification
- 2.PLHA Program 2021 Formula Component NOFA
- 3.PLHA Awardee List as of 2\_3\_2022
- 4.SLHTF Award to AAHC 12\_23\_21



## City of Alameda • California

July 28, 2022

Mr. Anthony Zeto  
CTCAC  
915 Capitol Mall, Suite 485  
Sacramento, CA 95814

Re: CA-22-085/North Housing PSH I

Dear Mr. Zeto:

We have been asked to clarify our letter of June 22, 2022 regarding the North Housing PSH I development. In particular, this letter clarifies the conditions of the approvals.

- 1) The **HOME Investment Partnerships Program (HOME) loan** is conditional on Department of Housing and Urban Development (HUD) acceptance. The Action Plan and the proposed activities contained therein are deemed to be accepted if HUD has not indicated otherwise 45 days from the submission date. The Action Plan was submitted to HUD on July 13, 2022. Based on past experience, we do not expect that HUD will decline the submission. There is no further City Council or County action needed for this funding.
- 2) The **Community Development Block Grant (CDBG)** is conditional on HUD acceptance. The Action Plan and the proposed activities contained therein are deemed to be accepted if HUD has not indicated otherwise 45 days from the submission date. The Action Plan was submitted to HUD on July 13, 2022. Based on past experience, we do not expect that HUD will decline the submission. There is no further City Council or County action needed for this funding.
- 3) The **Permanent Local Housing Allocation (PLHA)** is conditional on receiving all other funding, including tax credits.
- 4) The **Affordable Housing Unit/Fee (AHUF)** are local funds that are in hand and conditional on receiving all other funding, including tax credits.

Please let me know if I can be of further assistance in this matter.

Sincerely,



Lisa Fitts

Interim Base Reuse Manager


Community Development Department  
950 West Mall Square, Suite 205  
Alameda, CA 94501-4477

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF STATE FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670  
Sacramento, CA 95833  
(916) 263-2771  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



May 3, 2021

**MEMORANDUM FOR:** All Potential Applicants 

**FROM:** Jennifer Seeger, Deputy Director  
Division of State Financial Assistance

**SUBJECT:** Permanent Local Housing Allocation Program  
2021 Entitlement and Non-Entitlement Local government  
Formula Component - Notice of Funding Availability

The California Department of Housing and Community Development (Department) is pleased to announce the release of the 2021 Entitlement and Non-Entitlement Local government formula component Notice of Funding Availability (NOFA) for approximately **\$304 million** in calendar year 2020 funds plus an additional **\$38.4 million** in remaining calendar year 2019 funds for the Permanent Local Housing Allocation (PLHA) program. This funding provides formula grants, as listed in Appendix A, to Entitlement and Non-Entitlement Local governments in California for housing-related projects and programs that assist in addressing unmet housing needs of their local communities.

**Please note: As this is the second allocation year for funds collected pursuant to SB 2 (Chapter 364, Statutes 2017), jurisdictions that have previously applied and received an award of 2019 funds are not required to resubmit all threshold requirements, but rather must demonstrate all threshold requirements continue to be met as noted in Part II, Section G of this NOFA. Jurisdictions that have not previously applied, must meet all threshold requirements as outlined in Part II, Section F of the attached NOFA.**

The submittal portal will be available and open for applications beginning **May 6, 2021**. Personal deliveries will not be accepted. No facsimiles, incomplete applications, application revisions, or walk-in application packages will be accepted. Applications will be accepted through **December 31, 2021** and must be submitted electronically through the Department's website. Requirements for uploading the Application Workbook and required supporting documentation, including naming conventions, are described in the application instructions available at <http://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>.

The PLHA application forms, workshop details, and Guidelines are posted on the Department's [website](#). To receive information on workshops and other updates, please subscribe to the PLHA listserv by clicking on "Email Sign up" on the Department's [website](#). If you have any further questions, please contact [PLHA@hcd.ca.gov](mailto:PLHA@hcd.ca.gov).

Attachment



# **Permanent Local Housing Allocation Program**

## **2021 Formula Component Notice of Funding Availability for Entitlement and Non-Entitlement Local governments**



**Gavin Newsom, Governor  
State of California**

**Lourdes M. Castro Ramírez, Secretary  
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director  
California Department of Housing and Community Development**

2020 West El Camino Avenue, Suite 500, Sacramento, CA 95833  
Telephone: (916) 263-2771

Website: <http://www.hcd.ca.gov/grants-funding/active-funding/plha.shtml>

Email: [PLHA@hcd.ca.gov](mailto:PLHA@hcd.ca.gov)

**May 3, 2021**

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**Permanent Local Housing Allocation  
2021 Entitlement and Non-Entitlement Local Government Formula Component  
Notice of Funding Availability**

**I. Overview**

**A. Notice of Funding Availability**

The California Department of Housing and Community Development (Department) is announcing the release of the 2021 Permanent Local Housing Allocation (PLHA) program formula component Notice of Funding Availability (NOFA) for approximately **\$304 million** in calendar year 2020 funds and an additional **\$38.4 million** in calendar year 2019 funds for Entitlement and Non-Entitlement Local governments. This NOFA is funded from moneys deposited in the Building Homes and Jobs Trust Fund (Fund) in calendar year 2020 and includes any remaining unawarded funds not requested for calendar year 2019.

Funding for this NOFA is provided pursuant to Senate Bill 2 (SB 2) (Chapter 364, Statutes of 2017). SB 2 established the Fund and authorizes the Department to allocate 70 percent of moneys collected and deposited in the Fund, beginning in calendar year 2019, to Local governments for eligible housing and homelessness activities. The intent of the bill is to provide a permanent, on-going source of funding to Local governments for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities.

This NOFA outlines threshold and application requirements for Entitlement Local governments and Non-Entitlement Local governments as defined in Guidelines Section 101. Entitlement Local governments are metropolitan cities and urban counties that received a Community Development Block Grant (CDBG) grant for fiscal year 2017 pursuant to the federal formula specified in 42 U.S. Code, Section 5306.

Please note that this NOFA has two separate threshold requirements sections:

- Local Governments that received an award under the 2020 Formula Component NOFA are subject to the threshold requirements outlined in **Part II, Section F**
- Local Governments that have not previously applied for and received a PLHA award must meet the threshold requirements outlined in **Part II, Section G**

In 2021, the Department will issue two separate NOFAs to award the PLHA funds:

1. Formula Component NOFA for Entitlement and Non-Entitlement Local governments; and
2. Non-Entitlement Local government Competitive NOFA (anticipated in May 2021).

## B. Timeline

<b>NOFA Release Date</b>	May 3, 2021
<b>Application Submittal</b>	May 6, 2021 - December 31, 2021
<b>Award Announcement</b>	Ongoing through February 2022

## C. Authorizing Legislation and Regulations

SB 2 (Chapter 364, Statutes of 2017) established the PLHA program. The program operates under the requirements of Health and Safety Code (HSC), Part 2 of Division 31, Chapter 2.5 (commencing with Section 50470).

Section 50470 (b)(2)(B)(i) of the HSC authorizes the Department to allocate 70 percent of the moneys collected and deposited in the Fund, beginning in calendar year 2019, for the PLHA program.

Section 50470 (b)(2)(B)(i)(I) of the HSC requires the Department to allocate 90 percent of PLHA funds based on the federal CDBG formula specified in 42 U.S. Code, Section 5306, except that the portion allocated to Non-Entitlement Local governments is required to be distributed through a competitive grant program for Non-Entitlement Local governments.

Section 50470 (b)(2)(B)(i)(II) of the HSC requires the Department to allocate the remaining 10 percent of PLHA funds equitably to Non-Entitlement Local governments.

Section 50470 (d) authorizes the Department to adopt Guidelines to implement the PLHA program, not subject to the rulemaking provisions of the California Administrative Procedure Act.

This NOFA governs the administration of funding from the Fund (created by Section 50470, subdivision (a)(1) and appropriated by item 2240-103-3317 in the Budget Act of 2019) and made available under the PLHA program.

Capitalized terms not otherwise defined in this NOFA shall have the meanings set forth in Guidelines Section 101.

## II. Program requirements

The following is provided as a summary for the allocation of the PLHA funds to Entitlement and Non-Entitlement Local governments and is not to be considered a complete representation of the eligibility, threshold, or other requirements, terms and conditions.

### A. Eligible Applicants

1. An Applicant must be an Entitlement Local government, a Non-Entitlement Local government, or a Local or Regional Housing Trust Fund delegated by the Local government pursuant to Guidelines Section 300. **Appendix A** contains the list of eligible Applicants.

- 2. Delegation.** An eligible Applicant may delegate their entire formula allocation to either another Local government or to a Local or Regional Housing Trust Fund. A Local government that delegates their formula allocation to another Local government or to a Housing Trust Fund must enter into a legally binding agreement with the other Local government or Housing Trust Fund. The delegate must submit the PLHA application on behalf of the delegator and wholly administer the entire formula component of PLHA funds on behalf of the delegator for the full term of the PLHA Plan, as set forth in Guidelines Section 300(c).

Upon delegating its entire formula allocation to another Local government or to a Local or Regional Housing Trust Fund, the Local government that delegated their allocation is no longer involved in the PLHA application or administration of the PLHA grant for the full term of the PLHA Plan, which extends through 2023. The delegated Local government or Trust Fund assumes full responsibility for compliance with statute and for meeting all of the Department's requirements, including any penalties for non-compliance.

A partial funding delegation is not permitted under the delegation authority. However, a Local government can subgrant a **portion** of its allocation to another entity, as permitted by Guidelines Section 302(c)(3). When a Local government subgrants a portion of its allocation to another entity, the Local government remains fully accountable and responsible for compliance with statute and for meeting all of the Department's requirements, including any penalties for non-compliance.

## **B. Eligible Activities**

Pursuant to Guidelines Section 301(a), the PLHA funds allocated to eligible Applicants must be used to carry out one or more of the eligible activities listed below. All services must be provided within the county containing the Local government recipient.

1. The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, or rental housing that is affordable to extremely low-, very low-, low-, or moderate-income households (up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas, see appendix B for a list of High-cost areas ), including necessary Operating subsidies.

Note: Predevelopment and/or acquisition must result in the development, rehabilitation, or preservation of housing, as otherwise there is no actual housing outcome of the predevelopment or acquisition assistance.

2. The predevelopment, development, acquisition, rehabilitation, and preservation of Affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of Area Median Income (AMI), or 150 percent of AMI in High-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days. See Appendix B for a list of High-cost areas in California.

Note: Predevelopment and/or acquisition must result in the development, rehabilitation, or preservation of Affordable rental and ownership housing, as

otherwise there is no actual housing outcome of the predevelopment or acquisition assistance.

3. Matching portions of funds placed into Local or Regional Housing Trust Funds. Matching funds must be utilized as required by PLHA guidelines Section 301(a).
4. Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176. Matching funds must be utilized as required by PLHA guidelines Section 301(a).
5. Capitalized Reserves for Services connected to the preservation and creation of new Permanent Supportive Housing.
6. Assisting persons who are experiencing or At risk of homelessness in conformance with [24 Code of Federal Regulations \(CFR Section 578.3\)](#), including
  - Rapid rehousing in conformance with federal rules contained in 24 CFR Section 576.104, except for legal services;
  - Rental assistance with a term of at least six (6) months (rental arrears is not eligible);
  - Street outreach, and other Supportive/case management services in conformance with federal rules contained in 24 CFR Section 576.101 that allow people to obtain and retain housing;
  - Operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.
  - a. This Activity may include subawards to Administrative Entities as defined in HSC Section 50490(a)(1-3) that were awarded California Emergency Solutions and Housing (CESH) Program or Homeless Emergency Aid Program (HEAP) funds for rental assistance to continue assistance to these households.
  - b. Applicants must provide rapid rehousing, rental assistance, navigation centers, emergency shelter, and transitional housing activities in a manner consistent with the Housing First practices described in 25 CCR, Section 8409, subdivision (b)(1)-(6) and in compliance with Welfare Institutions Code (WIC) Section 8255(b)(8). An Applicant allocated funds for the new construction, rehabilitation, and preservation of Permanent supportive housing shall incorporate the core components of Housing First, as provided in WIC Section 8255(b).
7. Accessibility modifications in Lower-income (up to 80 percent of AMI) Owner-occupied housing.
8. Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.
9. Homeownership opportunities, including, but not limited to, down payment assistance.



DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT  
 Permanent Local Housing Allocation (PLHA) Program  
 February 26, 2020  
**Awardee List (as of 2/3/2021)**

Applicant Name	Eligible Applicant Type	Local Government of PLHA Formula Allocation	*Activity No.	County	Approximate PLHA Formula Allocation Amount	Allowable Local Admin (5%)	Award Date	Awarded Amount
City and County of San Francisco	Entitlement	San Francisco	1	San Francisco	\$8,718,035	\$435,901	10/21/2020	\$8,718,035
City of Alameda	Entitlement	Alameda	1 and 6	Alameda	\$558,765	\$27,938	10/21/2020	\$558,765
City of Anaheim	Entitlement	Anaheim	1	Orange	\$2,155,285	\$107,764	10/21/2020	\$2,155,285
City of Bakersfield	Entitlement	Bakersfield	3	Kern	\$1,730,902	\$86,545	10/21/2020	\$1,730,902
City of Bellflower	Entitlement	Bellflower	6	Los Angeles	\$513,624	\$25,681	10/21/2020	\$513,624
City of Buena Park	Entitlement	Buena Park	6	Orange	\$369,242	\$18,462	10/21/2020	\$369,242
City of Burbank	Entitlement	Burbank	1, 2, 6, and 9	Los Angeles	\$477,182	\$23,859	10/21/2020	\$477,182
City of Camarillo	Entitlement	Camarillo	9	Ventura	\$135,354	\$6,767	10/21/2020	\$135,354
City of Chowchilla	Nonentitlement	Chowchilla	9	Madera	\$110,382	\$5,519	10/21/2020	\$110,382
City of Corona	Entitlement	Corona	6	Riverside	\$582,003	\$29,100	10/21/2020	\$582,003
City of Costa Mesa	Entitlement	Costa Mesa	6	Orange	\$528,581	\$26,429	10/21/2020	\$528,581
City of Delano	Entitlement	Delano City	6	Kern	\$325,124	\$16,256	10/21/2020	\$325,124
City of Dinuba	Nonentitlement	Dinuba	1	Tulare	\$148,291	\$7,414	10/21/2020	\$148,291
City of Exeter	Nonentitlement	Exeter	1	Tulare	\$97,819	\$4,890	10/21/2020	\$97,819
City of Fresno	Entitlement	Fresno	1, 2, and 9	Fresno	\$3,407,603	\$170,380	10/21/2020	\$3,407,603
City of Fullerton	Entitlement	Fullerton	6	Orange	\$688,452	\$34,422	10/21/2020	\$688,452
City of Huntington Beach	Entitlement	Huntington Beach	6	Orange	\$548,495	\$27,424	10/21/2020	\$548,495
City of La Habra	Entitlement	La Habra	6	Orange	\$388,867	\$19,443	10/21/2020	\$388,867
City of Lodi	Entitlement	Lodi	6	San Joaquin	\$336,265	\$16,813	10/21/2020	\$336,265
City of Long Beach	Entitlement	Long Beach	1	Los Angeles	\$2,926,784	\$146,339	10/21/2020	\$2,926,784
City of Marysville	Nonentitlement	Marysville	6	Yuba	\$110,382	\$5,519	10/21/2020	\$110,382
City of Monterey	Entitlement	Monterey	1 and 6	Monterey	\$116,419	\$5,820	10/21/2020	\$116,419
City of Napa	Entitlement	Napa City	2 and 6	Napa	\$318,210	\$15,910	10/21/2020	\$318,210
City of Oceanside	Entitlement	Oceanside	6	San Diego	\$649,151	\$32,457	10/21/2020	\$649,151
City of Ontario	Entitlement	Ontario	1, 5, 6, and 9	San Bernardino	\$920,018	\$46,000	10/21/2020	\$920,018
City of Orange	Entitlement	Orange	6	Orange	\$607,483	\$30,374	10/21/2020	\$607,483
City of Oxnard	Entitlement	Oxnard	1 and 6	Ventura	\$1,158,429	\$57,921	10/21/2020	\$1,158,429
City of Palm Desert	Entitlement	Palm Desert	6	Riverside	\$171,306	\$8,565	10/21/2020	\$171,306
City of Porterville	Entitlement	Porterville	6	Tulare	\$342,754	\$17,137	10/21/2020	\$342,754
City of Rancho Santa Margarita	Entitlement	Rancho Santa Margarita	6	Orange	\$101,396	\$5,069	10/21/2020	\$101,396
City of Redwood City	Entitlement	Redwood City	1 and 6	San Mateo	\$347,719	\$17,385	10/21/2020	\$347,719
City of Roseville	Entitlement	Roseville	6	Placer	\$313,366	\$15,668	10/21/2020	\$313,366
City of Roseville	Entitlement	Rocklin City	6	Placer	\$134,638	\$6,731	10/21/2020	\$134,638
City of Sacramento	Entitlement	Sacramento	1 and 9	Sacramento	\$2,357,067	\$117,853	10/21/2020	\$2,357,067
City of San Bernardino	Entitlement	San Bernardino	6	San Bernardino	\$1,622,027	\$81,101	10/21/2020	\$1,622,027
City of San Diego	Entitlement	San Diego	6	San Diego	\$5,790,183	\$289,509	10/21/2020	\$5,790,183
City of San Leandro	Entitlement	San Leandro	1	Alameda	\$349,960	\$17,498	10/21/2020	\$349,960
City of Santa Ana	Entitlement	Santa Ana	6	Orange	\$2,803,706	\$140,185	10/21/2020	\$2,803,706
City of Santa Cruz	Entitlement	Santa Cruz	1 and 3	Santa Cruz	\$264,744	\$13,237	10/21/2020	\$264,744
City of Santa Rosa	Entitlement	Santa Rosa	1	Sonoma	\$694,325	\$34,716	10/21/2020	\$694,325
City of South Gate	Entitlement	South Gate	2	Los Angeles	\$721,320	\$36,066	10/21/2020	\$721,320
City of Tulare	Entitlement	Tulare	1	Tulare	\$318,433	\$15,921	10/21/2020	\$318,433
City of Woodlake	Nonentitlement	City of Woodlake	8	Tulare	\$89,885	\$4,494	10/21/2020	\$89,885
County of El Dorado	Nonentitlement	El Dorado County	2, 6, and 9	El Dorado	\$479,995	\$23,999	10/21/2020	\$479,995
County of Humboldt	Nonentitlement	Humboldt County	1, 6, and 9	Humboldt	\$344,448	\$17,222	10/21/2020	\$344,448



DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT  
 Permanent Local Housing Allocation (PLHA) Program  
 February 26, 2020  
 Awardee List (as of 2/3/2021)

Applicant Name	Eligible Applicant Type	Local Government of PLHA Formula Allocation	*Activity No.	County	Approximate PLHA Formula Allocation Amount	Allowable Local Admin (5%)	Award Date	Awarded Amount
County of Marin	Entitlement	Marin County	3	Marin	\$725,571	\$36,278	10/21/2020	\$725,571
County of Mariposa	Nonentitlement	Mariposa County	1 and 2	Mariposa	\$128,455	\$6,422	10/21/2020	\$128,455
County of Orange	Entitlement	Orange County	6 and 7	Orange	\$1,272,164	\$63,608	10/21/2020	\$1,272,164
County of Placer	Nonentitlement	Placer County	1, 9	Placer	\$455,090	\$22,754	10/21/2020	\$455,090
County of San Bernardino	Entitlement	San Bernardino County	1, 5, 8, and 10	San Bernardino	\$3,459,141	\$172,957	10/21/2020	\$3,459,141
County of San Diego	Entitlement	San Diego County	1 and 2	San Diego	\$1,979,966	\$98,998	10/21/2020	\$1,979,966
County of Santa Barbara	Entitlement	Santa Barbara County	1, 2, 6, and 9	Santa Barbara	\$569,787	\$28,489	10/21/2020	\$569,787
County of Santa Barbara	Entitlement	Goleta	1, 2, 6, and 9	Santa Barbara	\$94,015	\$4,700	10/21/2020	\$94,015
County of Solano	Nonentitlement	Solano County	6 and 9	Solano	\$128,234	\$6,411	10/21/2020	\$128,234
County of Stanislaus	Entitlement	Stanislaus County	1, 2, 6, and 10	Stanislaus	\$1,154,982	\$57,749	10/21/2020	\$1,154,982
Fresno County	Entitlement	Fresno County	1	Fresno	\$1,643,348	\$82,167	10/21/2020	\$1,643,348
Glenn County	Nonentitlement	Glenn County	1 and 6	Glenn	\$106,856	\$5,342	10/21/2020	\$106,856
Glenn County	Nonentitlement	Willows	1 and 6	Glenn	\$93,631	\$4,681	10/21/2020	\$93,631
Glenn County	Nonentitlement	Orland	1 and 6	Glenn	\$92,529	\$4,626	10/21/2020	\$92,529
Los Angeles County	Entitlement	Los Angeles County	6	Los Angeles	\$11,025,126	\$551,256	10/21/2020	\$11,025,126
Merced County	Nonentitlement	Merced County	6	Merced	\$310,947	\$15,547	10/21/2020	\$310,947
Nevada County	Nonentitlement	Nevada County	3 and 6	Nevada	\$306,319	\$15,315	10/21/2020	\$306,319
Nevada County	Nonentitlement	Grass Valley	3 and 6	Nevada	\$135,508	\$6,775	10/21/2020	\$135,508
Nevada County	Nonentitlement	Nevada City	3 and 6	Nevada	\$78,865	\$3,943	10/21/2020	\$78,865
Plumas County	Nonentitlement	Plumas County	1, 5, and 6	Plumas	\$121,182	\$6,059	10/21/2020	\$121,182
Sonoma County	Entitlement	Sonoma County	1, 2, and 6	Sonoma	\$899,393	\$44,969	10/21/2020	\$899,393
Yuba County	Nonentitlement	Yuba County	2	Yuba	\$272,377	\$13,618	10/21/2020	\$272,377
City of Berkeley	Entitlement	Berkeley	1, 3, and 6	Alameda	\$1,293,584	\$64,679	10/21/2020	\$1,293,584
City of Irvine	Entitlement	Irvine	1 and 2	Orange	\$757,977	\$37,898	2/3/2021	\$757,977
City of Alhambra	Entitlement	Alhambra	1, 3, and 4	Los Angeles	\$465,628	\$23,281	2/3/2021	\$465,628
City of Antioch	Entitlement	Antioch	2, 6, and 9	Contra Costa	\$394,235	\$19,711	2/3/2021	\$394,235
City of Chula Vista	Entitlement	Chula Vista	1, 2, and 6	San Diego	\$1,059,483	\$52,974	2/3/2021	\$1,059,483
City of Daly City	Entitlement	Daly City	1	San Mateo	\$511,821	\$25,591	2/3/2021	\$511,821
City of Davis	Entitlement	City of Davis	1, 2, 6, and 8	Yolo	\$302,924	\$15,146	2/3/2021	\$302,924
City of El Monte	Entitlement	El Monte	2 and 9	Los Angeles	\$847,292	\$42,364	2/3/2021	\$847,292
City of Fairfield	Entitlement	Fairfield	6	Solano	\$390,910	\$19,545	2/3/2021	\$390,910
City of Farmersville	Nonentitlement	Farmersville	1	Tulare	\$98,260	\$4,913	2/3/2021	\$98,260
City of Fontana	Entitlement	Fontana	2, 6, 8, and 9	San Bernardino	\$981,122	\$49,056	2/3/2021	\$981,122
City of Fremont	Entitlement	Fremont	6	Alameda	\$641,160	\$32,058	2/3/2021	\$641,160
City of Garden Grove	Entitlement	Garden Grove	4, 6, and 9	Orange	\$994,343	\$49,717	2/3/2021	\$994,343
City of Grover Beach	Nonentitlement	Grover Beach	3	San Luis Obispo	\$121,182	\$6,059	2/3/2021	\$121,182
City of Hanford	Entitlement	Hanford	1 and 9	Kings	\$295,468	\$14,773	2/3/2021	\$295,468
City of Hayward	Entitlement	Hayward	6	Alameda	\$651,735	\$32,586	2/3/2021	\$651,735
City of King	Nonentitlement	King City	1, 3, and 6	Monterey	\$134,185	\$6,709	2/3/2021	\$134,185
City of La Mesa	Entitlement	La Mesa	6	San Diego	\$188,809	\$9,440	2/3/2021	\$188,809
City of Lancaster	Entitlement	Lancaster	1, 2, and 9	Los Angeles	\$694,855	\$34,742	2/3/2021	\$694,855
City of Lindsay	Nonentitlement	Lindsay	1	Tulare	\$117,214	\$5,860	2/3/2021	\$117,214
City of Los Angeles	Entitlement	Los Angeles	1, 6, and 9	Los Angeles	\$26,219,573	\$1,310,978	2/3/2021	\$26,219,573
City of Lynnwood	Entitlement	Lynnwood	6	Los Angeles	\$631,387	\$31,569	2/3/2021	\$631,387
City of Menifee	Entitlement	Menifee	9	Riverside	\$251,604	\$12,580	2/3/2021	\$251,604





DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT  
 Permanent Local Housing Allocation (PLHA) Program  
 February 26, 2020  
 Awardee List (as of 2/3/2021)

Applicant Name	Eligible Applicant Type	Local Government of PLHA Formula Allocation	*Activity No.	County	Approximate PLHA Formula Allocation Amount	Allowable Local Admin (5%)	Award Date	Awarded Amount
City of Mission Viejo	Entitlement	Mission Viejo	6	Orange	\$206,683	\$10,334	2/3/2021	\$206,683
City of Modesto	Entitlement	Modesto	1 and 6	Stanislaus	\$969,747	\$48,487	2/3/2021	\$969,747
City of Oroville	Nonentitlement	Oroville	2	Butte	\$137,051	\$6,852	2/3/2021	\$137,051
City of Palmdale	Entitlement	Palmdale	1, 2, 6, 7, and 9	Los Angeles	\$779,064	\$38,953	2/3/2021	\$779,064
City of Pasadena	Entitlement	Pasadena	1, 2, 6, and 9	Los Angeles	\$936,076	\$46,803	2/3/2021	\$936,076
City of Perris	Entitlement	Perris City	1	Riverside	\$466,532	\$23,326	2/3/2021	\$466,532
City of Placentia	Entitlement	Placentia	6	Orange	\$214,774	\$10,738	2/3/2021	\$214,774
City of Pomona	Entitlement	Pomona	2, 9	Los Angeles	\$1,068,445	\$53,422	2/3/2021	\$1,068,445
City of Redding	Entitlement	City of Redding	1, 2, and 6	Shasta	\$336,814	\$16,840	2/3/2021	\$336,814
City of Riverbank	Nonentitlement	Riverbank	2, 6, 7, 8, and 9	Stanislaus	\$122,063	\$6,103	2/3/2021	\$122,063
City of Riverside	Entitlement	Riverside	1 and 6	Riverside	\$1,622,125	\$81,106	2/3/2021	\$1,622,125
City of Salinas	Entitlement	Salinas	1, 2, 3, and 6	Monterey	\$1,006,847	\$50,342	2/3/2021	\$1,006,847
City of San Buenaventura	Entitlement	San Buenaventura	1, 6, and 9	Ventura	\$357,439	\$17,871	2/3/2021	\$357,439
City of San Jose	Entitlement	San Jose	6	Santa Clara	\$4,348,646	\$217,432	2/3/2021	\$4,348,646
City of San Mateo	Entitlement	San Mateo	1 and 6	San Mateo	\$341,894	\$17,094	2/3/2021	\$341,894
City of Santa Barbara	Entitlement	Santa Barbara	6	Santa Barbara	\$453,109	\$22,655	2/3/2021	\$453,109
City of Santa Monica	Entitlement	Santa Monica	1	Los Angeles	\$547,516	\$27,375	2/3/2021	\$547,516
City of Simi Valley	Entitlement	Simi Valley	6	Ventura	\$290,357	\$14,517	2/3/2021	\$290,357
City of South Lake Tahoe	Nonentitlement	South Lake Tahoe	9	El Dorado	\$165,703	\$8,285	2/3/2021	\$165,703
City of South San Francisco	Entitlement	South San Francisco	2 and 6	San Mateo	\$217,980	\$10,899	2/3/2021	\$217,980
City of Stockton	Entitlement	City of Stockton	1, 2, 3, and 9	San Joaquin	\$1,711,430	\$85,571	2/3/2021	\$1,711,430
City of Tustin	Entitlement	Tustin City	6	Organge	\$385,545	\$19,277	2/3/2021	\$385,545
City of Upland	Entitlement	City of Upland	1 and 6	San Bernardino	\$277,837	\$13,891	2/3/2021	\$277,837
City of Vallejo	Entitlement	Vallejo	1, 6, and 9	Solano	\$505,369	\$25,268	2/3/2021	\$505,369
City of Victorville	Entitlement	Victorville	6	San Bernardino	\$632,770	\$31,638	2/3/2021	\$632,770
City of Visalia	Entitlement	Visalia	6	Tulare	\$630,815	\$31,540	2/3/2021	\$630,815
City of Vista	Entitlement	Vista	6	San Diego	\$408,882	\$20,444	2/3/2021	\$408,882
City of Walnut Creek	Entitlement	Walnut Creek	6	Contra Costa	\$138,449	\$6,922	2/3/2021	\$138,449
City of Westminster	Entitlement	Westminster	6	Orange	\$510,577	\$25,528	2/3/2021	\$510,577
City of Winters	Nonentitlement	Winters	2 and 9	Yolo	\$88,783	\$4,439	2/3/2021	\$88,783
City of Woodland	Entitlement	Woodland	1 and 6	Yolo	\$248,989	\$12,449	2/3/2021	\$248,989
City of Yorba Linda	Entitlement	Yorba Linda	6	Orange	\$106,529	\$5,326	2/3/2021	\$106,529
County of Alameda	Entitlement	Oakland	6	Alameda	\$3,704,475	\$185,223	2/3/2021	\$3,704,475
County of Alameda	Entitlement	Alameda County	6	Alameda	\$933,865	\$46,693	2/3/2021	\$933,865
County of Kern	Entitlement	Kern County	6	Kern	\$2,160,344	\$108,017	2/3/2021	\$2,160,344
County of Monterey	Entitlement	Monterey County	1, 3, 5, and 6	Monterey	\$648,380	\$32,419	2/3/2021	\$648,380
County of Riverside	Entitlement	Riverside County	1 and 9	Riverside	\$3,996,171	\$199,808	2/3/2021	\$3,996,171
County of Riverside	Entitlement	Moreno Valley	1 and 9	Riverside	\$1,029,809	\$51,490	2/3/2021	\$1,029,809
County of Riverside	Entitlement	Indio City	1 and 9	Riverside	\$455,962	\$22,798	2/3/2021	\$455,962
County of Riverside	Entitlement	Hemet	1 and 9	Riverside	\$402,536	\$20,126	2/3/2021	\$402,536
County of Riverside	Entitlement	Cathedral City	1 and 9	Riverside	\$283,223	\$14,161	2/3/2021	\$283,223
County of Riverside	Entitlement	Temecula	1 and 9	Riverside	\$273,393	\$13,669	2/3/2021	\$273,393
County of Riverside	Entitlement	Lake Elsinore	1 and 9	Riverside	\$248,527	\$12,426	2/3/2021	\$248,527
County of Riverside	Entitlement	Palm Springs	1 and 9	Riverside	\$192,237	\$9,611	2/3/2021	\$192,237
County of San Mateo	Entitlement	San Mateo County	1 and 6	San Mateo	\$1,209,550	\$60,477	2/3/2021	\$1,209,550



DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT  
 Permanent Local Housing Allocation (PLHA) Program  
 February 26, 2020  
 Awardee List (as of 2/3/2021)

Applicant Name	Eligible Applicant Type	Local Government of PLHA Formula Allocation	*Activity No.	County	Approximate PLHA Formula Allocation Amount	Allowable Local Admin (5%)	Award Date	Awarded Amount
County of Santa Barbara	Entitlement	Santa Maria	1, 2, 6, and 9	Santa Barbara	\$733,471	\$36,673	2/3/2021	\$733,471
County of Siskiyou	Nonentitlement	Siskiyou County	1 and 5	Siskiyou	\$142,120	\$7,106	2/3/2021	\$142,120
County of Tulare	Nonentitlement	Tulare County	1 and 2	Tulare	\$583,584	\$29,179	2/3/2021	\$583,584
County of Yolo	Nonentitlement	Yolo County	2 and 6	Yolo	\$136,610	\$6,830	2/3/2021	\$136,610
San Joaquin County	Entitlement	San Joaquin County	6	San Joaquin	\$1,310,193	\$55,509	2/3/2021	\$1,310,193
San Luis Obispo County	Entitlement	County of San Luis Obispo	2, 3, and 6	San Luis Obispo	\$872,502	\$43,625	2/3/2021	\$872,502
Santa Cruz County	Nonentitlement	Santa Cruz County	1 and 6	Santa Cruz	\$565,952	\$28,297	2/3/2021	\$565,952
Sutter County	Nonentitlement	Sutter County	6	Sutter	\$116,333	\$5,816	2/3/2021	\$116,333
Town of Apple Valley	Entitlement	Apple Valley	6	San Bernardino	\$287,561	\$14,378	2/3/2021	\$287,561
Town of Truckee	Nonentitlement	Truckee	2	Nevada	\$104,652	\$5,232	2/3/2021	\$104,652
Ventura County	Entitlement	Ventura County	1, 2, and 3	Ventura	\$859,749	\$42,987	2/3/2021	\$859,749
Ventura County	Entitlement	Thousand Oaks	1, 2, and 3	Ventura	\$296,040	\$14,802	2/3/2021	\$296,040
<b>TOTAL PLHA ROUND 1 AWARDS (as of 2/3/2021)</b>								<b>\$150,754,735</b>

**\*Eligible activities are limited to the following:**

**Activity #1:** The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to Extremely low-, Very low-, Low-, or Moderate-income households, including necessary operating subsidies.

**Activity #2:** The predevelopment, development, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, including Accessory Dwelling Units (ADUs), that meets the needs of a growing workforce earning up to 120 percent of AMI, or 150 percent of AMI in high-cost areas. ADUs shall be available for occupancy for a term of no less than 30 days.

**Activity #3:** Matching portions of funds placed into Local or Regional Housing Trust Funds.

**Activity #4:** Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.

**Activity #5:** Capitalized Reserves for services connected to the preservation and creation of new permanent supportive housing.

**Activity #6:** Assisting persons who are experiencing or At-risk of homelessness, including, but not limited to, providing rapid re-housing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and **Activity #7:** Accessibility modifications in Lower-income Owner-occupied housing.

**Activity #8:** Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.

**Activity #9:** Homeownership opportunities, including, but not limited to, down payment assistance.

**Activity #10:** Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing Projects, or matching funds invested by a county in an affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the Project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the affordable housing Project.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF STATE FINANCIAL ASSISTANCE**

2020 W. El Camino Avenue, Suite 670, 95833  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 263-2771  
[www.hcd.ca.gov](http://www.hcd.ca.gov)



December 23, 2021

Vanessa Cooper, President  
Alameda Affordable Housing Corporation  
701 Atlantic Avenue  
Alameda, CA 94501

Dear Vanessa Cooper:

**RE: Award Announcement – Local Housing Trust Fund Program  
Notice of Funding Availability Fiscal Year 2021/2022  
Alameda Affordable Housing Trust Fund  
Contract No. 21-LHTFCOM-16920**

The California Department of Housing and Community Development (Department) is pleased to announce that Alameda Affordable Housing Corporation (Awardee) has been awarded a Local Housing Trust Fund (LHTF) program award in the amount of \$2,500,000. This letter constitutes notice of the designation of LHTF program funds for use in Alameda County.

Awardees will be able to draw down funds when the Standard Agreement is fully executed, and any general and special conditions have been cleared in writing.

The Department intends to issue a Standard Agreement within 90 days of receipt of the documentation required to execute this contract. A program representative will be in communication with you within a week to discuss and confirm any documents needed.

Congratulations on your successful application. For further information, please contact Doniell Cummings, LHTF Program Manager, Program Design and Implementation Branch, (916) 695-9006 or [Doniell.Cummings@hcd.ca.gov](mailto:Doniell.Cummings@hcd.ca.gov).

Sincerely,

Jennifer P. Seeger  
Deputy Director  
Division of State Financial Assistance

2021 DEC 27 PM 2:08  
RECEIVED  
THE CITY OF ALAMEDA



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

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GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
Nancee Robles

August 8, 2022

Vanessa Cooper  
Island City Development  
701 Atlantic Avenue  
Alameda, CA 94501

Email: [vcooper@alamedahsg.org](mailto:vcooper@alamedahsg.org)

**RE: CA-22-085 / North Housing PSH I**

Dear Ms. Cooper:

This letter is in response to the appeal letter received on August 1, 2022 of the California Tax Credit Allocation Committee (“CTCAC”) point and final tie breaker score reduction and disqualification of the above referenced project. CTCAC staff reduced the Readiness to Proceed point category by ten (10) points, reduced the final tie breaker score, and disqualified the application for failure to demonstrate an enforceable commitment of funds for the City of Alameda loans totaling \$1,261,000 and the Alameda Affordable Housing Corporation (“AAHC”) loan in the amount of \$10,000,000 for Phase I and Phase II. The final tie breaker score was further reduced for ineligible off-site costs in the amount of \$411,231 because staff was unable to confirm these off-site costs consists solely of curbs, sidewalks, gutters, or utility connections immediately bordering the property and as a result the amount was removed from the Final Tie Breaker score.

### Enforceable Financing Commitments

The appeal letter included a letter from the City of Alameda delineating the status of the funds. You stated that the CDBG and HOME funds were conditional for environmental and subsidy layering review, which cannot be completed until all funds have been awarded. The appeal letter referenced the Housing Authority of the City of Alameda (“AHA”) commitment of \$8,660,000 and stated that the State Local Housing Trust Funds (“LHTF”) match were committed in December 2021, thus satisfying the condition in the AAHC letter. The appeal letter included the LHTF commitment letter.

Following review of the appeal letter, the application, and CTCAC regulations, I find that the City of Alameda loans, specifically the HOME and CDBG funds still have outstanding conditions not

resolved with HUD that are not within the control of the applicant and therefore not committed. Since those funds have been deemed not committed, and the PLHA and AHUF funds require all funds to be committed, the PLHA and AHUF funds are not committed. As a result, the appeal for the City of Alameda loans is not granted. With regard to the AAHC loan, I find that the clarification provided in the appeal letter constitutes a commitment. As a result, the appeal for the AAHC loan is granted.

Due to the City of Alameda funds still being deemed not committed, the application remains disqualified from the Round 2 application cycle.

#### Off-Site Costs

The appeal letter stated that by way of the language in Tab 12, the off-site costs are immediately bordering the project and consist solely of curbs, sidewalks, gutters, or utility connections. You also noted that a total of \$46,920 for ac paving and striping was inadvertently included in the tie breaker and should be excluded since they do not meet the requirements of CTCAC Regulation Section 10325(c)(9)(A). As a result, the appeal letter stated that \$364,311 of the \$411,231 in off-site costs should be eligible for inclusion in the final tie breaker score.

Following review of the appeal letter, the application, and CTCAC regulations, I find that it is still unclear as to how the listed off-site costs meet the requirements of CTCAC Regulation Section 10325(c)(9)(A). While you provided a statement that the off-site costs immediately border the project, yet there is no description of where around the project these off-site costs will be incurred. Furthermore, it is unclear how the list of off-site costs included in Tab 12 (i.e. landscaping) consist solely of curbs, sidewalks, gutters, or utility connections. As a result, the appeal is not granted.

A new point letter is attached. Please feel free to contact me at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov) should you have any questions or concerns. If you wish to appeal this decision, you may email your appeal in writing to Executive Director Nancee Robles at [nancee.robles@treasurer.ca.gov](mailto:nancee.robles@treasurer.ca.gov) and cc me at [azeto@treasurer.ca.gov](mailto:azeto@treasurer.ca.gov). Your appeal must be received by CTCAC no later than August 15, 2022.

Sincerely,



Anthony Zeto  
Deputy Executive Director

Enclosure



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
p (916) 654-6340  
f (916) 654-6033  
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**MEMBERS**  
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Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
NANCEE ROBLES

**REVISED**

August 8, 2022

Vanessa Cooper  
Island City Development  
701 Atlantic Avenue  
Alameda, CA 94501

Email: [vcooper@alamedahsg.org](mailto:vcooper@alamedahsg.org)

**RE: CA-22-085 / North Housing PSH I**

Dear Ms. Cooper:

Following your submission for the California Tax Credit Allocation Committee (CTCAC) second 2022 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comments. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

	<b><u>Points Requested</u></b>	<b><u>Points Awarded</u></b>
1. General Partner Experience	7	7
2. Management Experience	3	3
3. Housing Needs	10	10
4. Site Amenities	15	15
5. Service Amenities	10	10
6. Lowest Income	52	52
7. Readiness to Proceed	10	0
8. Miscellaneous Federal and State Policies	2	2
<b>TOTAL</b>	<b>109</b>	<b>99</b>

CTCAC staff reduced the Readiness to Proceed point category by ten (10) points. The City of Alameda loans, totaling \$1,261,000, states that they are a conditional commitment. The home loan amount of \$115,000 is subject to final approval from the county and HUD; the CDBG loan of \$321,000 is subject to final approval from the county and HUD; the Permanent Local Housing Allocation loan of \$450,000 is subject to final approval from the State of California. Furthermore, the commitment totaling \$1,261,000 is conditioned on HUD's approval of the City's "Action Plan" for fiscal year 2022-23. As a result, the project does not have an enforceable commitment for all construction financing as defined in CTCAC Regulation Section 10325(f)(3).

CTCAC has calculated your Final Tie Breaker score and the revised score is **57.860%**.

In the application, the Final Tie Breaker self-score is 62.097%. CTCAC staff reduced the public funds numerator by the above-mentioned loans totaling \$1,261,000 from the City of Alameda for same reasons stated above.

In addition, the Final Tie Breaker was adjusted for ineligible off-site costs. For purposes of the Final Tie Breaker, CTCAC views all funds as fungible and treats all off-site costs as paid for with public funds. Under CTCAC Regulation Section 10325(c)(9)(A), only a narrow type of off-site costs for curbs, sidewalks, gutters, and utility connections immediately bordering the property qualify as eligible costs paid by public funds in the Final Tie Breaker. CTCAC staff excluded the ineligible off-site costs, in the amount of \$411,231 from the soft financing numerator and total residential project cost denominators of the final tie breaker calculation. The off-site description in Tab 12 did not confirm if the off-sites were immediately bordering the project. In addition, the Certified Public Accountant certification provided in Tab 19 described those costs as "improvements to roads, which contradicts the applicant's off-site description and the off-site cost estimate provided from J.H. Fitzmaurice, Inc. CTCAC staff was unable to confirm if the \$411,231 off-site costs consists solely of curbs, sidewalks, gutters, or utility connections immediately bordering the property and as a result the amount was removed from the Final Tie Breaker score.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects' scoring letters since individual letters will be sent later as the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact Nicholas White at [nicholas.white@treasurer.ca.gov](mailto:nicholas.white@treasurer.ca.gov) **after** the final awards have been made.

We appreciate your interest in the Low-Income Housing Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,



Timothy Handy  
Development Program Manager

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

North Housing PSH I, located at 500 Mosley Avenue in Alameda, requested and is being recommended for a reservation of \$2,273,785 in annual federal tax credits and \$7,579,283 in total state tax credits to finance the new construction of 44 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 Island City Development and will be located in Senate District 9 and Assembly District 18.

The project will be receiving rental assistance in the form of HUD Section 8 Project-Based Vouchers.

**Project Number** CA-22-085

**Project Name** North Housing PSH I  
Site Address: 500 Mosley Avenue  
Alameda, CA 94501 County: Alameda  
Census Tract: 4287

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,273,785	\$7,579,283
Recommended:	\$2,273,785	\$7,579,283

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

**Applicant Information**

Applicant: Island City Development  
Contact: Vanessa Cooper  
Address: 701 Atlantic Avenue  
Alameda, CA 94501  
Phone: (510) 747-4300  
Email: vcooper@alamedahsg.org

General Partner(s) / Principal Owner(s): ICD Lakehurst LLC  
General Partner Type: Nonprofit  
Parent Company(ies): Island City Development  
Developer: Island City Development  
Investor/Consultant: Community Economics, Inc.  
Management Agent(s): The John Stewart Company

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 45  
No. & % of Tax Credit Units: 44 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HUD Section 8 Project-based Vouchers (40 Units - 90%)



**Information**

Set-Aside: N/A  
Housing Type: Special Needs  
Type of Special Needs: Homeless or Formerly Homeless  
Average Targeted Affordability of Special Needs/SRO Project Units: 30.00%  
% of Special Need Units: 44 units 100.00%  
Geographic Area: East Bay Region  
CTCAC Project Analyst: Ruben Barcelo

**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:	44	80%

**Unit Mix**

24 SRO/Studio Units
20 1-Bedroom Units
1 2-Bedroom Units
<u>45 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
20 SRO/Studio	30%	\$750
4 SRO/Studio	30%	\$354
20 1 Bedroom	30%	\$803
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,807,470
Construction Costs	\$24,127,509
Rehabilitation Costs	\$0
Construction Contingency	\$1,669,137
Relocation	\$0
Architectural/Engineering	\$1,059,162
Const. Interest, Perm. Financing	\$2,534,296
Legal Fees	\$225,000
Reserves	\$685,235
Other Costs	\$3,401,834
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$38,709,643</b>

**Residential**

Construction Cost Per Square Foot:	\$614
Per Unit Cost:	\$860,214
True Cash Per Unit Cost*:	\$798,409

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
JPMorgan Chase Bank	\$22,193,614	Alameda Affordable Housing Trust Fund	\$5,000,000
Alameda Affordable Housing Trust Fund	\$5,000,000	City of Alameda	\$1,261,000
City of Alameda	\$1,261,000	Alameda Housing Authority	\$3,000,000
Alameda Housing Authority	\$3,000,000	Affordable Housing Program Fund AHP	\$660,000
Affordable Housing Program Fund AHP	\$660,000	Deferred Developer Fee	\$250,000
Land Donation	\$2,061,601	Land Donation	\$2,061,601
Fee Waivers	\$469,620	Fee Waivers	\$469,620
Tax Credit Equity	\$2,607,273	General Partner Equity	\$123,388
		Tax Credit Equity	\$25,884,034
		<b>TOTAL</b>	<b>\$38,709,643</b>

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

#### Determination of Credit Amount(s)

Requested Eligible Basis:	\$25,264,276
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$25,264,276
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,273,785
Total State Credit:	\$7,579,283
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	\$0.87170
State Tax Credit Factor:	\$0.80000

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:	<b>Special Needs</b>
Self-Score Final:	<b>62.097%</b>
CTCAC Final:	<b>57.860%</b>

#### Significant Information / Additional Conditions

Development costs are roughly \$798,409 per unit. The factors affecting this cost include high real estate costs for the San Francisco Bay area, escalating cost of building materials, and a requirement to pay prevailing wages.

**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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of a public high school	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>SPECIAL NEEDS HOUSING TYPE</b>			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>0</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>99</b>

**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.**



## **Exhibit A – Item No. 6: Baden Station (CA-22-080)**

Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of Baden Station (CA-22-080) affecting the 2022 Second Round Application for Reservation of Federal 9% LIHTCs in the South and West Bay Region.



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 485  
Sacramento, CA 95814  
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[www.treasurer.ca.gov/ctcac](http://www.treasurer.ca.gov/ctcac)

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Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

**EXECUTIVE DIRECTOR**  
NANCEE ROBLES

September 14, 2022

Jim Rendler  
Baden Station Apartments Investors  
433 Marsh St.  
San Luis Obispo, CA 93401

E-mail: [jrendler@ftfhousing.com](mailto:jrendler@ftfhousing.com)  
[mwiese@pacifichousing.org](mailto:mwiese@pacifichousing.org)

**RE: CA-22-080 / Baden Station**

Dear Jim Rendler,

Following your submission for the California Tax Credit Allocation Committee (CTCAC) second 2022 tax credit funding cycle, staff has reviewed your application to determine its total score. This review was performed only for scoring purposes: it does not verify application completeness, project eligibility, or the likelihood of funding. Additionally, CTCAC has requested the Local Reviewing Agency (LRA) to comments. If the LRA response suggests that points have been erroneously awarded, we may revisit the scoring. Initial scoring is as follows:

	<b><u>Points Requested</u></b>	<b><u>Points Awarded</u></b>
1. General Partner Experience	7	0
2. Management Experience	3	3
3. Housing Needs	10	0
4. Site Amenities	15	15
5. Service Amenities	10	7.5
6. Lowest Income	52	52
7. Readiness to Proceed	10	10
8. Miscellaneous Federal and State Policies	2	2
<b>TOTAL</b>	<b>109</b>	<b>89.5</b>

CTCAC staff reduced the application by **19.5** points in total.

CTCAC staff reduced the General Partner point category by seven (7) points because the attached documentation is out-of-date. Although CTCAC can accept CPA certifications from the first tax credit application round, CTCAC Regulation Section 10325(c)(1)(A) stipulate that these certifications cannot be reused if they were based on pre-2021 financial statements. CTCAC also published [guidance](#) on June 17, 2022 which further states, "CTCAC will accept all other documents that were submitted in the first round for applications with the exception of: ... Any third-party CPA certification, such as for General Partner Experience, that was based on pre-2021 financial statements..." The submitted documentation in Tab 21 includes a certification that is based on 2020 financial statements, and therefore, does not meet this regulatory requirement.

CTCAC staff reduced the Housing Needs point category by ten (10) points because the application does not demonstrate that the identified special needs population can pay the proposed rent for the special needs units targeted at the 30% to 40% AMI levels, and the non-special needs SRO units at 50% and 60% AMI levels, as there is no rental subsidy for this project. The Market Study in Tab 13 does not adequately address how tenants would not be rent overburdened for these units. The Market Study does not contain an income breakdown that demonstrates the rents do not exceed 30% of the target population's income. CTCAC Regulation Section 10325(g)(3)(C) defines rent overburden as when the targeted rent is more than 30% of the target population(s) income, which means the potential tenant population used to calculate the demand, capture rate, and penetration rate is based off tenants who would be rent overburden.

CTCAC staff reduced the Service Amenities point category by two-and-a-half points (2.5). Because this project is a mixture of special needs and non-special needs units, the application must include information on what service amenities will be provided to the non-special needs units. Per CTCAC Regulation Section 10325(c)(4)(B), to receive full points in this category, applicants must demonstrate they will provide 10 points worth of service amenities to both special needs and non-special needs units. The documentation submitted to substantiate service amenities for non-special needs units is the Tab 24 MOU, which only shows 84 hours of adult education. There were no other service amenities indicated or substantiated for non-special needs units, which resulted in the reduction in points.

CTCAC has calculated your Final Tie Breaker score and the score is **52.834%**.

In the application, the Final Tie Breaker self-score is 56.681%.

Staff reduced the Final Tie Breaker score to 52.834% due to the removal of \$1.1 million that was marked as a land donation. The land donation by the City of South San Francisco was not substantiated by an appraisal. To receive credit in the Final Tie Breaker for donated land, an appraisal must be submitted, per CTCAC Regulation Section 10322(h)(9). The removal of the \$1.1 million from the calculation reduced the public funds numerator.

You may request further clarification about the point reductions by contacting Ruben Barcelo at [ruben.barcelo@treasurer.ca.gov](mailto:ruben.barcelo@treasurer.ca.gov) Staff can answer questions about the point and/or tie breaker reduction language in this letter. Staff cannot provide guidance or discuss the merits of an appeal of the scoring reductions in this letter. If you would like to discuss the Final Tie Breaker scoring informally, please contact Tiffani Negrete at [tiffani.negrete@treasurer.ca.gov](mailto:tiffani.negrete@treasurer.ca.gov).

If you would like to formally appeal staff's scoring, you must do so in writing, and it must be received by CTCAC no later than September 21, 2022. Your appeal must be sent via email to Anthony Zeto, Deputy Director, at [anthony.zeto@treasurer.ca.gov](mailto:anthony.zeto@treasurer.ca.gov) and Gabrielle Stevenson, Section Chief, at [gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov) and should specifically identify the grounds for the appeal based on the existing documentation submitted in your originally filed application. No fee is required for this appeal. You may not appeal any other applicant's score.

Point letters are being sent as the scoring is completed. Therefore, please do not contact Committee staff about other projects' scoring letters since individual letters will be sent later as the scores are determined. CTCAC will not score applications that are not fundable based upon self-scoring.

Please do not rely on this point score for a future application as point reductions may have been made in point categories that did not affect the net score received in the point category. If you have any questions regarding any possible point reductions that did not ultimately affect the point score, please contact Ruben Barcelo **after** the final awards have been made.

We appreciate your interest in the Low-Income Housing Tax Credit program and look forward to continuing to work with you to bring your project to fruition.

Sincerely,

A handwritten signature in blue ink that reads "Timothy Handy". The signature is written in a cursive, flowing style.

Timothy Handy  
Development Program Manager





## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

---

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September 14, 2022

Jim Rendler  
Baden Station Apartments Investors  
433 Marsh St.  
San Luis Obispo, CA 93401

E-mail: [jrendler@ftfhousing.com](mailto:jrendler@ftfhousing.com)  
[mwiese@pacifichousing.org](mailto:mwiese@pacifichousing.org)

**RE: CA-22-080 / Baden Station**

Dear Jim Rendler,

California Tax Credit Allocation Committee (CTCAC) staff has determined that the project as presented in the application does not meet the minimum point requirement as set out in CTCAC Regulation Section 10305(g), as CTCAC has established a minimum threshold of 93 points for competitive applications. As submitted, the application's self score was 109 out of 109; during review, staff reduced the General Partner Experience point category by 7 points, due to out-of-date documentation. Staff also reduced the Housing Needs category by 10 points, due to a failure to address potential rent overburden on special needs units. Finally, staff reduced the Service Amenities category by 2.5 points, due to a lack of service amenities for non-special needs units. Please note, a separate point letter will be sent that provides detailed information on the point reductions.

This project is also disqualified due to a lack of appraisal, as required by CTCAC Regulation Section 10322(h)(9). Appraisals are a required document in the event of any land donation – and one wasn't included.

As a result, no further review of the project will be performed, nor will it be considered for tax credits in this cycle. The review of the application may have determined other application deficiencies not included in this letter.

If you would like to formally appeal staff's determination, you must do so in writing, and it must be received by CTCAC no later than September 21, 2022. Your appeal must be sent via email to Anthony Zeto, Deputy Director, at [anthony.zeto@treasurer.ca.gov](mailto:anthony.zeto@treasurer.ca.gov) and Gabrielle Stevenson, Section Chief, at [gabrielle.stevenson@treasurer.ca.gov](mailto:gabrielle.stevenson@treasurer.ca.gov) and should specifically identify the grounds for the appeal based on existing documentation at the time of application. No fee is required for this appeal.

Sincerely,

A handwritten signature in blue ink that reads "Timothy Handy".

Timothy Handy  
Development Program Manager

**MEMBERS**  
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State Controller

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**EXECUTIVE DIRECTOR**  
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**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Baden Station, located at 428-432 Baden Ave in South San Francisco, requested and is being recommended for a reservation of \$1,690,560 in annual federal tax credits to finance the new construction of 35 units of housing serving special needs tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Baden Station Investors, LLC and will be located in Senate District 13 and Assembly District 22.

**Project Number** CA-22-080

**Project Name** Baden Station  
Site Address: 428-432 Baden Ave  
South San Francisco, CA 94080 County: San Mateo  
Census Tract: 6022.000

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,690,560	\$0
Recommended:	\$1,690,560	\$0

**Applicant Information**

Applicant: Baden Station Apartments Investors, L.P.  
Contact: Jim Rendler  
Address: 433 Marsh St.  
San Luis Obispo, CA 93401  
Phone: (408)891-8303  
Email: jrendler@ftfhousing.com

General Partner(s) / Principal Owner(s): Baden Station Investors, LLC  
PacH Lancaster Holdings, LLC  
General Partner Type: Joint Venture  
Parent Company(ies): Baden Station Investors, LLC  
Pacific Housing, Inc.  
Developer: Baden Station Investors, LLC  
Investor/Consultant: Boston Financial  
Management Agent(s): FPI Management, Inc.

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 36  
No. & % of Tax Credit Units: 35 100%  
Federal Set-Aside Elected: 40%/60%

**Information**

Set-Aside: Special Needs  
 Housing Type: Special Needs At least 20% 1-bedroom units and 10% larger than 1-BR  
 Type of Special Needs: Homeless & Developmentally Disabled  
 Average Targeted Affordability of Special Needs/SRO Project Units: 40.00%  
 % of Special Need Units: 18 units 50.00%  
 Geographic Area: South and West Bay Region  
 CTCAC Project Analyst: Franklin Cui

**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:	12	30%
At or Below 40% AMI:	14	40%

**Unit Mix**

18 SRO/Studio Units
12 1-Bedroom Units
3 2-Bedroom Units
3 3-Bedroom Units
<u>36 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
7 SRO/Studio	30%	\$978
3 1 Bedroom	30%	\$1,048
1 2 Bedrooms	30%	\$1,258
1 3 Bedrooms	30%	\$1,454
8 SRO/Studio	40%	\$1,305
5 1 Bedroom	40%	\$1,398
1 2 Bedrooms	40%	\$1,678
2 SRO/Studio	50%	\$1,631
3 1 Bedroom	50%	\$1,748
1 3 Bedrooms	50%	\$2,423
1 SRO/Studio	60%	\$1,957
1 1 Bedroom	60%	\$2,097
1 3 Bedrooms	60%	\$2,908
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$4,205,000
Construction Costs	\$18,473,000
Rehabilitation Costs	\$0
Construction Contingency	\$1,315,737
Relocation	\$0
Architectural/Engineering	\$145,000
Const. Interest, Perm. Financing	\$778,528
Legal Fees	\$85,000
Reserves	\$121,177
Other Costs	\$1,287,598
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$28,611,040</b>

**Residential**

Construction Cost Per Square Foot:	\$638
Per Unit Cost:	\$794,751
True Cash Per Unit Cost*:	\$764,196

**Construction Financing**

Source	Amount
Pacific Western Bank	\$15,150,000
County San Mateo	\$6,000,000
City South San Francisco	\$2,050,000
City Land Loan Pay Down	\$1,100,000
Deferred Developer Fee	\$1,907,790
Tax Credit Equity	\$2,403,250

**Permanent Financing**

Source	Amount
Pacific Western Bank	\$2,250,000
County San Mateo	\$6,000,000
City South San Francisco	\$2,050,000
City Land Loan Pay Down	\$1,100,000
Deferred Developer Fee	\$1,100,000
Tax Credit Equity	\$16,111,040
<b>TOTAL</b>	<b>\$28,611,040</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$14,449,236
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$18,784,007
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,690,560
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.95300

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:	<b>Special Needs</b>
Self-Score Final	<b>56.681%</b>
CTCAC Final:	<b>56.681%</b>

**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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>3</b>
General Partner Experience	7	7	0
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit, service every 30 minutes in rush hours	5	5	5
Within ¾ mile of public park or community center open to general public	2	2	2
Within ½ mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>102</b>

**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.**



California Tax Credit Allocation Committee

**AGENDA ITEM 5**

**Recommendation for Reservation  
of 2022 Second Round Federal  
9% and State LIHTCs**

**California Tax Credit Allocation Committee (CTCAC)**  
**2022 Second Round Preliminary Recommendations for the Set-Aside Projects**  
September 28, 2022

<b>Funding Order</b>	<b>Point Score</b>	<b>Final Tie Breaker Score</b>	<b>Project Number</b>	<b>Project Name</b>	<b>Project City</b>	<b>Housing Type</b>	<b>Federal Credits</b>	<b>State Credits</b>
<b><u>NONPROFIT SET ASIDE</u></b>				Set-Aside Credit Available \$4,618,104				
1	109.00	87.860%	CA-22-061	Santa Fe Senior Village - NPHA	Vista	Special Needs	\$1,192,885	\$0
2	109.00	77.278%	CA-22-070	Huntington Square - NPHA	Huntington Park	Special Needs	\$1,892,481	\$0
3	109.00	72.185%	CA-22-096	Cypress & 7th - NPHA	Lompoc	Special Needs	\$558,451	\$0
4	109.00	63.532%	CA-22-072	11730 Ramona Boulevard - NPHA	El Monte	Special Needs	\$1,975,004	\$0
							\$5,618,821	\$0
<b>Remaining Balance in Set-Aside</b>							<b>(\$1,000,717)</b>	
<b><u>RURAL SET ASIDE</u></b>				Set-Aside Credit Available \$9,320,781				
5	109.00	55.766%	CA-22-071	Garden Estates	Dinuba	At-Risk	\$700,728	\$0
6	109.00	53.984%	CA-22-078	Collier Avenue	Nice	Special Needs	\$1,695,782	\$0
7	109.00	52.480%	CA-22-066	Guardian Village	Reedley	Large Family	\$1,467,628	\$0
8	109.00	51.214%	CA-22-051	Eaglepointe Apartments	Paradise	Large Family	\$1,470,917	\$0
9	109.00	50.414%	CA-22-047	Orchard View Apartments	Gridley	Large Family	\$1,765,224	\$0
10	109.00	46.014%	CA-22-077	Lincoln Street Family Apartments	Oroville	Large Family	\$2,182,961	\$0
11	109.00	44.090%	CA-22-055	Newmark Village Apartments	Sanger	Large Family	\$2,133,637	\$0
							\$11,416,877	\$0
<b>Remaining Balance in Set-Aside</b>							<b>(\$2,096,096)</b>	
<b><u>AT-RISK SET-ASIDE</u></b>				Set-Aside Credit Available \$3,153,076				
12	109.00	73.847%	CA-22-090	Barnard Park Villas	Santa Monica	At-Risk	\$2,500,000	\$0
13	109.00	62.738%	CA-22-092	Anderson Hotel Apartments	San Luis Obispo	Special Needs	\$2,500,000	\$9,750,424
							\$5,000,000	\$9,750,424
<b>Remaining Balance in Set-Aside</b>							<b>(\$1,846,924)</b>	
<b><u>SPECIAL NEEDS/SRO SET-ASIDE</u></b>				Set-Aside Credit Available \$0				
<b><u>NO CREDITS REMAINING FROM ROUND 1</u></b>								
							\$0	\$0
<b>Remaining Balance in Set-Aside</b>							<b>\$0</b>	
							\$22,035,698	\$9,750,424
							<b>Total Annual Federal Credits from Set-Aside Projects</b>	<b>Total State Credits from Set-Aside Projects</b>

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**California Tax Credit Allocation Committee (CTCAC)**  
**2022 Second Round Preliminary Recommendations for the Geographic Regions**  
September 28, 2022

Funding Order	Point Score	Final Tie Breaker Score	Project Number	Project Name	Housing Type	Federal Credits	State Credits	Federal/State
			<b><u>CITY OF LOS ANGELES</u></b>					
			Geographic Region Credit Available \$10,436,426					
14	109.00	27.129%	CA-22-094	First Street North B Apartments	Large Family	\$2,500,000	\$11,827,842	\$3,682,784
24	109.00	63.734%	CA-22-081	Third Thyme	Special Needs	\$2,500,000	\$6,539,538	\$3,153,954
						\$5,000,000	\$18,367,380	\$6,836,738
						Remaining Balance in Geographic Region		\$3,599,688
			<b><u>BALANCE OF LOS ANGELES COUNTY</u></b>					
			Geographic Region Credit Available \$9,624,188					
15	109.00	74.891%	CA-22-058	Lancaster HNR-1 Apartments	Large Family	\$2,500,000	\$8,333,334	\$3,333,333
25	109.00	63.400%	CA-22-059	Chapel Avenue Apartments	Large Family	\$2,191,271	\$0	\$2,191,271
28	109.00	43.582%	CA-22-045	6th Street Grand	Special Needs	\$2,500,000	\$5,239,579	\$3,023,958
						\$7,191,271	\$13,572,913	\$8,548,562
						Remaining Balance in Geographic Region		\$1,075,626
			<b><u>CENTRAL VALLEY REGION</u></b>					
			Geographic Region Credit Available \$3,404,361					
16	109.00	57.313%	CA-22-073	Avalon Commons - Phase I	Large Family	\$2,500,000	\$7,561,945	\$3,256,195
						\$2,500,000	\$7,561,945	\$3,256,195
						Remaining Balance in Geographic Region		\$148,167
			<b><u>SAN DIEGO COUNTY</u></b>					
			Geographic Region Credit Available \$4,211,393					
17	109.00	75.589%	CA-22-040	Kettner Crossing (aka Cedar & Kettner)	Seniors	\$2,500,000	\$0	\$2,500,000
26	109.00	67.984%	CA-22-089	Estrella	Large Family	\$2,354,865	\$0	\$2,354,865
						\$4,854,865	\$0	\$4,854,865
						Remaining Balance in Geographic Region		(\$643,472)
			<b><u>INLAND EMPIRE REGION</u></b>					
			Geographic Region Credit Available \$3,764,089					
18	109.00	63.935%	CA-22-043	Emporia Place II	Large Family	\$1,798,566	\$0	\$1,798,566
27	109.00	50.711%	CA-22-079	Courtyards at Cottonwood II	Large Family	\$1,049,991	\$0	\$1,049,991
29	109.00	21.115%	CA-22-067	Parkside Apartments	Seniors	\$1,189,014	\$0	\$1,189,014
						\$4,037,571	\$0	\$4,037,571
						Remaining Balance in Geographic Region		(\$273,482)

**California Tax Credit Allocation Committee (CTCAC)**  
**2022 Second Round Preliminary Recommendations for the Geographic Regions**  
September 28, 2022

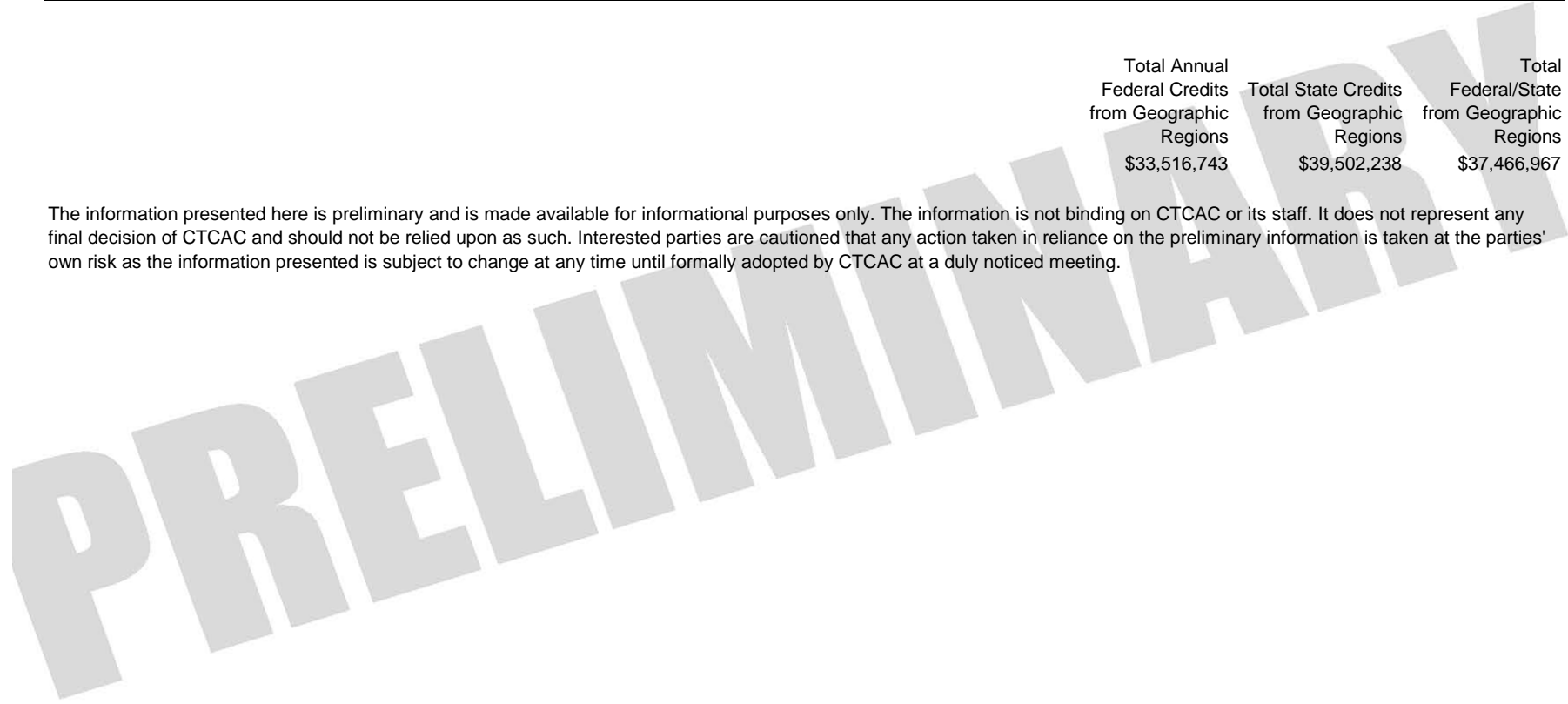
Funding Order	Point Score	Final Tie Breaker Score	Project Number	Project Name	Housing Type	Federal Credits	State Credits	Federal/State
<b><u>EAST BAY REGION</u></b>				Geographic Region Credit Available \$4,095,754				
19	109.00	18.353%	CA-22-082	Alvarado Gardens	Large Family	\$2,322,578	\$0	\$2,322,578
						\$2,322,578	\$0	\$2,322,578
						Remaining Balance in Geographic Region		\$1,773,176
<b><u>ORANGE COUNTY</u></b>				Geographic Region Credit Available \$3,100,588				
20	109.00	60.140%	CA-22-054	WISEPlace Permanent Supportive Housing   Special Needs		\$2,114,929	\$0	\$2,114,929
						\$2,114,929	\$0	\$2,114,929
						Remaining Balance in Geographic Region		\$985,659
<b><u>SOUTH AND WEST BAY REGION</u></b>				Geographic Region Credit Available \$1,356,226				
						<b><u>NO RECOMMENDED PROJECTS IN GEOGRAPHIC REGION</u></b>		
						\$0	\$0	\$0
						Remaining Balance in Geographic Region		\$1,356,226
<b><u>CAPITAL REGION</u></b>				Geographic Region Credit Available \$2,500,737				
21	109.00	46.529%	CA-22-052	Broadway and 39th Street	Seniors	\$1,811,835	\$0	\$1,811,835
						\$1,811,835	\$0	\$1,811,835
						Remaining Balance in Geographic Region		\$688,902
<b><u>CENTRAL COAST REGION</u></b>				Geographic Region Credit Available \$2,381,508				
22	109.00	78.914%	CA-22-048	Vista Campanario	Large Family	\$2,500,000	\$0	\$2,500,000
						\$2,500,000	\$0	\$2,500,000
						Remaining Balance in Geographic Region		(\$118,492)
<b><u>NORTHERN REGION</u></b>				Geographic Region Credit Available \$1,298,898				
						<b><u>NO RECOMMENDED PROJECTS IN GEOGRAPHIC REGION</u></b>		
						\$0	\$0	\$0
						Remaining Balance in Geographic Region		\$1,298,898

**California Tax Credit Allocation Committee (CTCAC)**  
**2022 Second Round Preliminary Recommendations for the Geographic Regions**  
September 28, 2022

Funding Order	Point Score	Final Tie Breaker Score	Project Number	Project Name	Housing Type	Federal Credits	State Credits	Federal/State
<b><u>SAN FRANCISCO COUNTY</u></b>				Geographic Region Credit Available \$1,127,328				
23	109.00	43.724%	CA-22-056	Yosemite Apartments	SRO	\$1,183,694	\$0	\$1,183,694
						\$1,183,694	\$0	\$1,183,694
						Remaining Balance in Geographic Region		(\$56,366)

Total Annual Federal Credits from Geographic Regions	Total State Credits from Geographic Regions	Total Federal/State from Geographic Regions
\$33,516,743	\$39,502,238	\$37,466,967

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Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-22-040	Kettner Crossing 1590 Kettner Blvd San Diego, CA 92101 San Diego County	BRIDGE Housing Corporation Aruna Doddapaneni	Cedar Kettner, LLC Aruna Doddapaneni	BRIDGE Housing Corporation Aruna Doddapaneni	County of San Diego Marko Medved	U.S. Bank County of San Diego IHTF City of San Diego County of San Diego
CA-22-043	Emporia Place II 301, 325 W. Transit Street/ 201 S. Fern Ave/ 310, 303 W. Emporia Street Ontario, CA 91762 San Bernardino County	Ontario Emporia II Housing Partners, L.P. Frank Cardone	Related/Ontario Emporia II Development Co., LLC LBI Ontario Emporia II, LLC Frank Cardone Joshua LaBarge	Related Development Company of California, LLC Frank Cardone	Ontario Housing Authority Scott Ochoa	U.S. Bank Ontario Housing Authority
CA-22-045	6th Street Grand 112 - 132 South 6th Street Montebello, CA 90640 Los Angeles County	Vista del Monte Affordable Housing, Inc. Alfredo R. Izmajtovich	Vista del Monte Affordable Housing, Inc. Alfredo R. Izmajtovich	Cesar Chavez Foundation Alfredo R. Izmajtovich	Cesar Chavez Foundation Joseph A. Palombi	JPMorgan Chase Bank City of Montebello HCD-Infill Infrastructure (IIG) San Gabriel Valley Regional Housing Trust
CA-22-047	Orchard View Apartments 1445 State Highway 99 Gridley, CA 95948 Butte County	Gridley Orchard Associates, L.P. Caleb Roope	Butte County Affordable Housing Development Corporation TPC Holdings IX, LLC Edward S. Mayer Caleb Roope	Pacific West Communities, Inc. Caleb Roope	Jagtar Madare & Harpreet Kaur, Joint Tenants Jagtar Madare & Harpreet Kaur	California Bank & Trust County of Butte - CDBG
CA-22-048	Vista Campanario 2800 Barry St. Camarillo, CA 93010 Ventura County	Barry60 L.P. Michael Nigh	Area Housing Authority of the County of Ventura Many Mansions Michael Nigh Rick Schroeder	Area Housing Authority of the County of Ventura Michael Nigh	City of Camarillo Greg Ramirez	U.S. Bank City of Camarillo Area Housing Authority of the County of Ventura
CA-22-051	Eaglepointe 5975 Maxwell Drive Paradise, CA 95969 Butte County	Eaglepointe Pacific Associates, L.P. Caleb Roope	Butte County Affordable Housing Development Corporation TPC Holdings IX, LLC Edward S. Mayer Caleb Roope	Pacific West Communities, Inc. Caleb Roope	Robert J. Arkenberg (The Arkenberg Family Trust) Robert J. Arkenberg	California Bank & Trust Town of Paradise - CDBG
CA-22-052	Broadway and 39th Street 3900, 3906, 3908, 3916 Broadway and 3021, 3023, 3025 39th Street Sacramento, CA 95817 Sacramento County	39th and Broadway Housing Partners, L.P. Ann Silverberg	Related/39th and Broadway Development Co, LLC AHA Sacramento II MGP, LLC Itasker Hollins Community Economic Development Corp Ann Silverberg Vasilios (Bill) Salamandrakis Pastor Ike Hollins	The Related Companies of California Ann Silverberg	Sacramento Housing & Redevelopment Agency La Shelle Dozier	MUFG Union Bank SHRA HOME Funds
CA-22-054	WISEPlace Permanent Supportive Housing (PSH) 1411 N. Broadway Santa Ana, CA 92706 Orange County	Jamboree Housing Corporation Tish Kelly	JHC - North Broadway, LLC WISEPlace, LLC Tish Kelly Brateil Aghasi	Jamboree Housing Corporation Tish Kelly	WISEPlace, a California nonprofit public benefit corporation Brateil Aghasi	Bank of America City of Santa Ana Orange County Housing Finance Trust County of Orange - ARPA

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-22-055	Newmark Village Apartments 1304 Faller Avenue Sanger, CA 93657 Fresno County	Sanger Newmark Associates, L.P. Caleb Roope	Central Valley Coalition for Affordable Housing TPC Holdings IX, LLC Christina Alley Caleb Roope	Pacific West Communities, Inc. Caleb Roope	Affordable Housing Land Consultants, LLC Alexis Gevorgian	California Bank & Trust
CA-22-056	Yosemite Apartments 480 Eddy Street San Francisco, CA 94109 San Francisco County	Yosemite Apartment Associates, L.P. Maurilio Leon	Yosemite GP, LLC Maurilio Leon	Tenderloin Neighborhood Development Corporation Emily Van Loon	Tenderloin Neighborhood Development Corporation Maurilio Leon	Silicon Valley Bank Assumed CCSF CDBG-CHRP OFT Proceeds - CCSF MOHCD
CA-22-058	Lancaster HNR-1 Apartments SW corner of W. Ave I and Sierra Hwy Lancaster, CA 93534 Los Angeles County	BRIDGE Housing Corporation Anna Slaby	HNR-1, LLC Anna Slaby	BRIDGE Housing Corporation Anna Slaby	City of Lancaster Jason Caudle	JP Morgan Chase Bank City of Lancaster
CA-22-059	Chapel Avenue Apartments 103 North Chapel Avenue Alhambra, CA 91801 Los Angeles County	Chapel Housing Partners, L.P. Frank Cardone	Related/Chapel Development Co., LLC FFAH V Chapel Avenue, LLC Frank Cardone Deborrah Willard	Related Development Company of California, LLC Frank Cardone	The City of Alhambra, a California municipal corporation Jessica Binnquist	U.S. Bancorp Community Development MUFG Union Bank City of Alhambra Los Angeles County Development Authority San Gabriel Valley Regional Housing Trust
CA-22-061	Santa Fe Senior Village 414-428 North Santa Fe Ave. Vista, CA 92083 San Diego County	Santa Fe Senior Village L.P. Theodore T. Miyahara	NCRC Santa Fe SV, LLC SDCHC Santa Fe Senior, LLC Ashley Wright Theodore T. Miyahara	National Community Renaissance of California Ashley Wright	Due Sorelle, LLC Michele Smither & Lisa LaCorte-Kring	JP Morgan Chase Bank County of San Diego NPLH County of San Diego HOME
CA-22-066	Guardian Village 601 E. 11th Street Reedley, CA 93654 Fresno County	Self-Help Enterprises Betsy McGovern-Garcia	Guardian Village, LLC Betsy McGovern-Garcia	Self-Help Enterprises Betsy McGovern-Garcia	State of California -DGS/HCD/MIL Jim Martone, Megan Kirkeby, & Christopher Schoenwandt	U.S. Bank LGMG State Surplus HOME PLHA NeighborWorks
CA-22-067	Parkside Apartments 442 North Kellogg Street Lake Elsinore, CA 92530 Riverside County	DHI Parkside Apartments, L.P. Justin Solomon	DHI Parkside Associates, LLC Community Resident Services Justin Solomon Erin Myers	Dawson Holdings, Inc. Justin Solomon	Joiner Limited Partnership James Joiner	Bonneville USDA-515
CA-22-070	Huntington Square 6101 State St Huntington Park, CA 90255 Los Angeles County	Huntington Square, L.P. Mee Heh Risdon	Supportive Housing, LLC Dora Leong Gallo	A Community of Friends Mee Heh Risdon	Aga Morad Investments Corporation Jacob Shadpour	Citibank LA County Development Authority - AHTF CalHFA/LA DMH SNHP
CA-22-071	Garden Estates 1400 S. Greene Avenue Dinuba, CA 93618 Tulare County	Central Valley Coalition for Affordable Housing Christina Alley	Central Valley Coalition for Affordable Housing Christina Alley	Micon Real Estate, Inc. Michael L. Condry	Garden Estates, L.P. Michael L. Condry	Bonneville Bonneville Sec. 538 USDA Section 515

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-22-072	11730 Ramona Boulevard 11730 Ramona Boulevard El Monte, CA 91732 Los Angeles County	Linc Housing Corporation Will Sager	Linc Housing Corporation Will Sager	Linc Housing Corporation Will Sager	Tom C. Wang Trustee of the Tom Chentung Wang Family Trust Marshall Y. Huang, Meiring W. Huang, Huatung Wang, Tom Wang	Bank of America L.A. County Development Authority San Gabriel Valley Regional Housing Trust City of El Monte
CA-22-073	Avalon Commons - Phase I 7521 N. Chestnut Avenue Fresno, CA 93720 Fresno County	Silvercrest, Inc. Tyrone Roderick Williams	Fresno Avalon Commons Phase I AGP, LLC Silvercrest, Inc. Michael Duarte	Housing Authority of the City of Fresno Michael Duarte	Housing Authority of the City of Fresno Tyrone Roderick Williams	U.S. Bank Housing Relinquished Fund Corp City of Fresno
CA-22-077	Lincoln Street Family Apartments West side of Lincoln Blvd south of Wyandotte Avenue. Oroville, CA 95966 Butte County	Richman Oroville Apartments, L.P. Rick Westberg	Richman Oroville GP, LLC Central Valley Coalition Rick Westberg Marissa Cardenas	The Richman Group of California Development Company, LLC Rick Westberg	ARMF Property Family, LLC Mohammed Koya	KeyBank City of Oroville - CDBG
CA-22-078	Collier Avenue 6853 Collier Avenue Nice, CA 95464 Lake County	Rural Communities Housing Development Corporation Ryan LaRue	Rural Communities Housing Development Corporation Ryan LaRue	Rural Communities Housing Development Corporation Ryan LaRue	Rick L. Garzini	JP Morgan Chase Bank Lake County - PLHA and HHAP FHLB - AHP SNHP
CA-22-079	Courtyards at Cottonwood II 24580 Cottonwood Ave Moreno Valley, CA 92553 Riverside County	Courtyards at Cottonwood II, L.P. James M. Jernigan	RBD Cottonwood, LLC KDI Courtyards, LLC James M. Jernigan William Leach	Rancho Belago Developers, Inc. James M. Jernigan	Moreno Valley Housing Authority Mike Lee	Citibank City of Moreno Valley County of Riverside - PLHA
CA-22-081	Third Thyme 1435 W. 3rd Street Los Angeles, CA 90017 Los Angeles County	Third Thyme, L.P. Jesse Slansky	Third Thyme, LLC Jesse Slansky	West Hollywood Community Housing Corporation Jesse Slansky	Atlantic, LLC Daniel Gerlach	Citibank City of LA HOME/AHTF LACDA AHTF
CA-22-082	Alvarado Gardens 13831 San Pablo Avenue San Pablo, CA 94806 Contra Costa County	San Pablo Church Lane L.P. Chris Dart	Johnson & Johnson Investments, LLC San Pablo Economic Development Corporation Chris Dart Leslay Choy	Danco Communities Chris Dart	City of San Pablo Matt Rodriguez	Pacific Western Bank City of San Pablo
CA-22-089	Estrella 604 W. Richmar Avenue San Marcos, CA 92069 San Diego County	San Marcos Family Housing, L.P. Esther Barron	AHG Estrella, LLC CFAH Housing, LLC Esther Barron Katelyn Silverwood	Affirmed Housing Group, Inc Marie Allen	San Marcos Gardens, L.P. James Silverwood	JP Morgan Chase Bank City of San Marcos
CA-22-090	Barnard Park Villas 3356 Barnard Way Santa Monica, CA 90405 Los Angeles County	Barnard Park Housing L.P. Anthony Yannatta	Barnard Park Housing, LLC Housing Corporation of America Anthony Yannatta Carol Cromar	Thomas Safran & Associates, Development Inc. Anthony Yannatta	City of Santa Monica David White	PNC Bank City of Santa Monica
CA-22-092	Anderson Hotel Apartments 955 Monterey Street San Luis Obispo, CA 93401 San Luis Obispo County	San Luis Obispo Nonprofit Housing Corporation Ken Litzinger	San Luis Obispo Nonprofit Housing Corporation Ken Litzinger	San Luis Obispo Nonprofit Housing Corporation Ken Litzinger	Housing Authority City of San Luis Obispo Scott Smith	Pacific Western Bank HASLO Public Funds County of San Luis Obispo City of San Luis Obispo

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Lender(s) (First Lender is Primary Construction Lender)
CA-22-094	First Street North B Apartments 150 Judge John Aiso Street Los Angeles, CA 90012 Los Angeles County	LTSC Community Development Corporation Erich Nakano	FSN B Apartments, LLC Erich Nakano	LTSC Community Development Corporation Tak Suzuki	City of Los Angeles, Department of Housing Daniel Huynh	U.S. Bank LAHD Affordable Housing Managed Pipeline HCD Infill Infrastructure Grant
CA-22-096	Cypress & 7th 1401 East Cypress Avenue Lompoc, CA 93436 Santa Barbara County	Cypress & 7th, L.P. Robert P. Havlicek Jr	Surf Development Company Robert P. Havlicek Jr	Surf Development Company Robert P. Havlicek Jr.	Surf Development Company Robert P. Havlicek Jr	Pacific Western Bank

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Kettner Crossing (aka Cedar & Kettner), located at 1590 Kettner Boulevard in San Diego, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the new construction of 63 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by BRIDGE Housing Corporation and will be located in Senate District 39 and Assembly District 78.

**Project Number** CA-22-040

**Project Name** Kettner Crossing (aka Cedar & Kettner)  
**Site Address:** 1590 Kettner Boulevard  
San Diego, CA 92101 County: San Diego  
**Census Tract:** 58.000

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

**Applicant Information**

**Applicant:** BRIDGE Housing Corporation  
**Contact:** Aruna Doddapaneni  
**Address:** 4142 Adams Ave, Suite 103-627  
San Diego, CA 92116  
**Phone:** (619) 814-1285  
**Email:** adoddapaneni@bridgehousing.com

**General Partner(s) / Principal Owner(s):** Cedar Kettner LLC  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** BRIDGE Housing Corporation  
**Developer:** BRIDGE Housing Corporation  
**Investor/Consultant:** California Housing Partnership Corporation  
**Management Agent(s):** BRIDGE Property Management Co.

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 1  
**Total # of Units:** 64  
**No. & % of Tax Credit Units:** 63 100%  
**Federal Set-Aside Elected:** 40%/60%

**Information**

**Set-Aside:** N/A  
**Housing Type:** Seniors  
**Geographic Area:** San Diego County  
**CTCAC Project Analyst:** Sopida Steinwert



**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:	8	10%
At or Below 40% AMI:	10	15%
At or Below 50% AMI:	44	40%
At or Below 60% AMI:	1	0%

**Unit Mix**

6 SRO/Studio Units
55 1-Bedroom Units
3 2-Bedroom Units
<u>64 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 SRO/Studio	30%	\$683
6 1 Bedroom	30%	\$732
1 2 Bedrooms	30%	\$878
5 SRO/Studio	40%	\$911
5 1 Bedroom	40%	\$976
18 1 Bedroom	50%	\$1,098
26 1 Bedroom	50%	\$1,220
1 2 Bedrooms	60%	\$1,756
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$5,134,093
Construction Costs	\$25,259,413
Rehabilitation Costs	\$0
Construction Contingency	\$1,707,196
Relocation	\$0
Architectural/Engineering	\$4,465,587
Const. Interest, Perm. Financing	\$3,237,298
Legal Fees	\$180,000
Reserves	\$347,939
Other Costs	\$2,716,475
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$45,248,001</b>

**Residential**

Construction Cost Per Square Foot:	\$436
Per Unit Cost:	\$707,000
True Cash Per Unit Cost*:	\$637,550

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
US Bank	\$21,842,774	US Bank	\$1,931,000
Holland Partner Group Grant	\$6,557,000	Holland Partner Group Grant	\$6,557,000
County of San Diego IHTF	\$4,230,000	County of San Diego IHTF	\$4,700,000
City of San Diego	\$4,032,000	City of San Diego Loan	\$4,480,000
FHLB AHP	\$630,000	FHLB AHP	\$630,000
County of San Diego - Land Donation	\$4,290,000	County of San Diego Land Donation	\$4,290,000
RTCIP Fee Waiver**	\$154,776	RTCIP Fee Waiver**	\$154,776
Deferred Cost	\$1,479,178	Tax Credit Equity	\$22,505,225
Tax Credit Equity	\$2,032,273	<b>TOTAL</b>	<b>\$45,248,001</b>

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

\*\*Regional Transportation Congestion Improvement Program

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,367,522
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,779
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.90021

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:	<b>Seniors</b>
Self-Score Final:	<b>75.603%</b>
CTCAC Final:	<b>75.589%</b>

### 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.

### 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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Senior project within ½ mile of daily operated senior center/facility	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Health & wellness services and programs, minimum 100 hrs per 100 bdrms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Emporia Place II, located at 301 and 325 W. Transit Street, 201 S. Fern Ave., and in Ontario, requested and is being recommended for a reservation of \$1,798,566 in annual federal tax credits to finance the new construction of 49 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Related Development Company of California, LLC and will be located in Senate District 20 and Assembly District 52.

**Project Number** CA-22-043

**Project Name** Emporia Place II  
**Site Address:** 301 and 325 W. Transit Street, 201 S. Fern Ave., and  
310 and 303 W. Emporia Steet  
Ontario, CA 91762 County: San Bernardino  
**Census Tract:** 14.000

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,798,566	\$0
Recommended:	\$1,798,566	\$0

**Applicant Information**

**Applicant:** Ontario Emporia II Housing Partners, L.P.  
**Contact:** Frank Cardone  
**Address:** 18201 Von Karman Ave, Suite 900  
Irvine, CA 92612  
**Phone:** (949) 660-7272  
**Email:** fcardone@related.com

**General Partner(s) / Principal Owner(s):** Related/Ontario Emporia II Development Co., LLC  
LBI Ontario Emporia II, LLC

**General Partner Type:** For Profit

**Parent Company(ies):** The Related Companies of California LLC  
LaBarge Industries, LLC

**Developer:** Related Development Company of California, LLC

**Investor/Consultant:** U.S. Bancorp Community Development Corporation

**Management Agent(s):** The John Stewart Company

**Project Information**

**Construction Type:** New Construction

**Total # Residential Buildings:** 2

**Total # of Units:** 50

**No. & % of Tax Credit Units:** 49 100%

**Federal Set-Aside Elected:** 40%/60%

**Federal Subsidy:** None

**Information**

Set-Aside: N/A  
 Housing Type: Large Family  
 Geographic Area: Inland Empire Region  
 CTCAC Project Analyst: Cynthia Compton

**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:	10	20%
At or Below 50% AMI:	15	30%
At or Below 60% AMI:	19	35%

**Unit Mix**

6 1-Bedroom Units
29 2-Bedroom Units
15 3-Bedroom Units
<u>50 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 1 Bedroom	40%	\$660
2 1 Bedroom	50%	\$819
2 1 Bedroom	60%	\$983
3 2 Bedrooms	30%	\$589
6 2 Bedrooms	40%	\$792
9 2 Bedrooms	50%	\$983
10 2 Bedrooms	60%	\$1,179
2 3 Bedrooms	30%	\$681
2 3 Bedrooms	40%	\$915
4 3 Bedrooms	50%	\$1,136
7 3 Bedrooms	60%	\$1,363
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,884,158
Construction Costs	\$16,343,663
Rehabilitation Costs	\$0
Construction Contingency	\$1,063,891
Relocation	\$0
Architectural/Engineering	\$1,859,300
Const. Interest, Perm. Financing	\$1,132,000
Legal Fees	\$300,000
Reserves	\$119,444
Other Costs	\$3,776,700
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$30,679,156</b>

**Residential**

Construction Cost Per Square Foot:	\$266
Per Unit Cost:	\$613,583
True Cash Per Unit Cost*:	\$613,583

**Construction Financing**

Source	Amount
U.S. Bank, N.A.	\$15,105,196
Ontario Housing Authority	\$2,700,000
Ontario Housing Authority	\$10,000,000
Deferred Developer Fee	\$1,100,000
Deferred Operating Deficit Reserves	\$119,444
Tax Credit Equity	\$1,654,516

**Permanent Financing**

Source	Amount
U.S. Bank N.A.	\$1,434,000
Ontario Housing Authority	\$2,700,000
Ontario Housing Authority	\$10,000,000
Tax Credit Equity	\$16,545,156
<b>TOTAL</b>	<b>\$30,679,156</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$15,372,362
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$19,984,071
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,798,566
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	U.S. Bancorp Community Development Corporation
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**

First:	<b>Large Family</b>
Self-Score Final	<b>63.935%</b>
CTCAC Final:	<b>63.935%</b>

**Significant Information / Additional Conditions:** None.

**Resyndication and Resyndication Transfer Event:** None.

**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.



<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¼ mile of transit, service every 30 minutes in rush hours	6	6	6
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 ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
INSERT APPLICABLE PUBLIC SCHOOL LANGUAGE	2	2	2
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
After school program for school age children, minimum of 6 hours/week	3	3	3
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

The project, 6th Street Grand, located at 112 - 132 South 6th Street in Montebello, requested \$2,297,880 in annual federal tax credits and \$7,659,600 in total state tax credits, but is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$5,239,479 in total state tax credits to finance the new construction of 62 units of housing serving families and homeless tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Cesar Chavez Foundation and will be located in Senate District 32 and Assembly District 58.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

The project financing includes state funding from the No Place Like Home Infill Infrastructure Grant (IIG) program of HCD.

**Project Number** CA-22-045

**Project Name** 6th Street Grand  
Site Address: 112 - 132 South 6th Street  
Montebello, CA 90640  
County: Los Angeles  
Census Tract: 5321.010

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,297,880	\$7,659,600
Recommended:	\$2,500,000	\$5,239,479

**Applicant Information**

Applicant: Vista del Monte Affordable Housing, Inc.  
Contact: Alfredo R. Izmajtovich  
Address: 555 N. Broadway, Unit B103  
Los Angeles, CA 90012  
Phone: 213-362-0260  
Email: alfredo@chavezfoundation.org

General Partner(s) / Principal Owner(s): Vista del Monte Affordable Housing, Inc.  
General Partner Type: Nonprofit  
Parent Company(ies): Cesar Chavez Foundation  
Developer: Cesar Chavez Foundation  
Investor/Consultant: Boston Financial  
Management Agent(s): Hyder & Company  
Cesar Chavez Foundation

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 63  
No. & % of Tax Credit Units: 62 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HUD Section 8 Vouchers (31 - 50%)

**Information**

Set-Aside: Nonprofit (homeless assistance)  
Housing Type: Special Needs Large Family  
Type of Special Needs: Homeless Assistance  
Average Targeted Affordability of Special Needs/SRO Project Units: 48.87%  
% of Special Need Units: 31 units 50.00%  
Geographic Area: Balance of Los Angeles County  
CTCAC Project Analyst: Brett Andersen

**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:	19	30%
At or Below 50% AMI:	12	15%
At or Below 60% AMI:	31	50%

**Unit Mix**

27 1-Bedroom Units  
16 2-Bedroom Units  
20 3-Bedroom Units  


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63 Total Units

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
13 1 Bedroom	30%	\$670
12 1 Bedroom	50%	\$670
2 1 Bedroom	60%	\$1,340
3 2 Bedrooms	30%	\$804
13 2 Bedrooms	60%	\$1,608
3 3 Bedrooms	30%	\$929
16 3 Bedrooms	60%	\$1,858
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,914,782
Construction Costs	\$26,700,077
Rehabilitation Costs	\$0
Construction Contingency	\$1,635,222
Relocation	\$0
Architectural/Engineering	\$1,281,000
Const. Interest, Perm. Financing	\$3,052,761
Legal Fees	\$245,000
Reserves	\$561,299
Other Costs	\$4,199,430
Developer Fee	\$2,000,000
Commercial Costs	\$0
<b>Total</b>	<b>\$43,589,571</b>

**Residential**

Construction Cost Per Square Foot:	\$496
Per Unit Cost:	\$691,898
True Cash Per Unit Cost*:	\$690,757

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
JPMorgan Chase Bank / Const Loan	\$27,712,573	JP Morgan Chase Bank / Perm Loan	\$7,063,340
San Gabriel Valley Regional Housing Trust	\$700,000	San Gabriel Valley Regional Housing Trust	\$1,200,000
City of Montebello Land Note Loan	\$3,075,000	City of Montebello Land Note Loan	\$3,075,000
HCD-Infill Infrastructure (IIG)	\$2,500,000	LACDA / AHTF	\$2,000,000
City of Montebello Fee Loan	\$950,000	HCD-Infill Infrastructure (IIG)	\$2,500,000
Deferred Fees & Costs	\$633,199	City of Montebello Fee Loan	\$950,000
Boston Financial / Equity	\$8,018,799	Deferred Developer Fee	\$71,900
		Tax Credit Equity	\$26,729,331
		<b>TOTAL</b>	<b>\$43,589,571</b>

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

\*\* Los Angeles County Development Agency - Affordable Housing Trust Fund loan

#### Determination of Credit Amount(s)

Requested Eligible Basis:	\$36,586,087
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$36,586,087
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$5,239,479
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,000,000
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.90991
State Tax Credit Factor:	\$0.75992

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:	<b>Special Needs</b>
Self-Score Final:	<b>47.388%</b>
CTCAC Final:	<b>43.582%</b>

#### Significant Information / Additional Conditions

Per Section 10317(c) of the CTCAC Regulations, staff have adjusted the amount of federal and state tax credits after determining that the voluntary reduction did not meet the requirements and removed it from the application. This has resulted in an increase in the amount of annual federal state credits, and a reduction of total state tax credits.

The utility allowances for this project include a component for water. All projects that charge for the water service must be sub-metered and the tenants must be billed separately for their water usage by a third party company. Sub-metering the water service and direct billing of the tenants by a third party company must follow certain IRS rules in order to be in compliance. In conjunction with the IRS rules, prior to the issuance of the IRS 8609 forms, CTCAC will need to confirm that the water service and tenant billing have been implemented correctly. In addition, the CTCAC Compliance Section will require specific information regarding the master water bill and each tenant's water usage and water bill when they inspect the project.

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.

**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

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¼ 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 1 mile of public library	2	2	2
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of a public high school	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
<b>SPECIAL NEEDS HOUSING TYPE</b>			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Orchard View Apartments, located at 1445 State Highway 99 in Gridley, requested and is being recommended for a reservation of \$1,765,224 in annual federal tax credits to finance the new construction of 47 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 issued as Community Development Block Grant - Disaster Recovery (CDBG-DR) funds from the County of Butte, from the Disaster Recovery Multifamily Housing Program (DR-MHP) of HCD.

**Project Number** CA-22-047

**Project Name** Orchard View Apartments  
**Site Address:** 1445 State Highway 99  
Gridley, CA 95948 County: Butte  
**Census Tract:** 35.020

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,765,224	\$0
Recommended:	\$1,765,224	\$0

**Applicant Information**

**Applicant:** Gridley Orchard Associates, a California Limited Partnership  
**Contact:** Caleb Roope  
**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  
**General Partner Type:** Joint Venture  
**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:** 48  
**No. & % of Tax Credit Units:** 47 100%  
**Federal Set-Aside Elected:** 40%/60%

**Information**

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

**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:	8	15%
At or Below 50% AMI (Rural):	19	40%
At or Below 60% AMI:	15	30%

**Unit Mix**

16 2-Bedroom Units
24 3-Bedroom Units
8 4-Bedroom Units
<u>48 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 2 Bedrooms	30%	\$526
2 2 Bedrooms	40%	\$702
5 2 Bedrooms	50%	\$877
8 2 Bedrooms	60%	\$1,053
3 3 Bedrooms	30%	\$607
4 3 Bedrooms	40%	\$810
10 3 Bedrooms	50%	\$1,013
6 3 Bedrooms	60%	\$1,215
1 4 Bedrooms	30%	\$678
2 4 Bedrooms	40%	\$904
4 4 Bedrooms	50%	\$1,130
1 4 Bedrooms	60%	\$1,265
1 3 Bedrooms	Manager's Unit	\$0



**Project Cost Summary at Application**

Land and Acquisition	\$563,000
Construction Costs	\$17,496,230
Rehabilitation Costs	\$0
Construction Contingency	\$1,170,000
Relocation	\$0
Architectural/Engineering	\$590,000
Const. Interest, Perm. Financing	\$858,000
Legal Fees	\$75,000
Reserves	\$226,365
Other Costs	\$2,044,794
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$25,223,389</b>

**Residential**

Construction Cost Per Square Foot:	\$358
Per Unit Cost:	\$525,487
True Cash Per Unit Cost*:	\$525,487

**Construction Financing**

Source	Amount
California Bank & Trust	\$12,699,685
Butte County CDBG-DR MHP	\$8,650,000
Deferred Costs	\$226,365
Deferred Developer Fee	\$2,200,000
Tax Credit Equity	\$1,447,339

**Permanent Financing**

Source	Amount
California Bank & Trust	\$2,100,000
Butte County CDBG-DR MHP	\$8,650,000
Tax Credit Equity	\$14,473,389
<b>TOTAL</b>	<b>\$25,223,389</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$19,613,602
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$19,613,602
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,765,224
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:	<b>Large Family</b>
Self-Score Final:	<b>50.414%</b>
CTCAC Final:	<b>50.414%</b>

**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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	3	3	3
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 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ¼ mile of a public elementary school	3	3	3
Within 1 mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	2	2	2
Highest or High Resources Area	8	8	8
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Vista Campanario, located at 2800 Barry Street in Camarillo, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the new construction of 59 units of housing serving large families with rents affordable to households earning 30% - 60% of area median income (AMI). The project will be developed by the Area Housing Authority of the County of Ventura and will be located in Senate District 19 and Assembly District 44.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-22-048

**Project Name** Vista Campanario  
**Site Address:** 2800 Barry Street  
Camarillo, CA 93010 County: Ventura  
**Census Tract:** 54.030

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

**Applicant Information**

**Applicant:** Barry60 LP  
**Contact:** Michael Nigh  
**Address:** 1400 W. Hillcrest Drive  
Newbury Park, CA 91320  
**Phone:** 805-480-9991  
**Email:** mnigh@ahacv.org

**General Partner(s) / Principal Owner(s):** Area Housing Authority of the County of Ventura  
Many Mansions  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** Area Housing Authority of the County of Ventura  
Many Mansions  
**Developer:** Area Housing Authority of the County of Ventura  
**Investor/Consultant:** California Housing Partnership Corporation  
**Management Agent(s):** Area Housing Authority of the County of Ventura

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 4  
**Total # of Units:** 60  
**No. & % of Tax Credit Units:** 59 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** HUD Project-based Vouchers (59 Units - 100%)

**Information**

Set-Aside: Nonprofit (qualified nonprofit organization)  
Housing Type: Large Family  
Geographic Area: Central Coast Region  
CTCAC Project Analyst: Ruben Barcelo

**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:	15	25%
At or Below 50% AMI:	21	35%
At or Below 60% AMI:	23	35%

**Unit Mix**

7 SRO/Studio Units
22 1-Bedroom Units
16 2-Bedroom Units
15 3-Bedroom Units
<u>60 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
4 SRO/Studio	30%	\$658
5 1 Bedroom	30%	\$705
4 2 Bedrooms	30%	\$846
2 3 Bedrooms	30%	\$978
10 1 Bedroom	50%	\$1,176
4 2 Bedrooms	50%	\$1,411
7 3 Bedrooms	50%	\$1,630
3 SRO/Studio	60%	\$1,317
7 1 Bedroom	60%	\$1,411
7 2 Bedrooms	60%	\$1,693
6 3 Bedrooms	60%	\$1,956
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$5,098,795
Construction Costs	\$26,118,793
Rehabilitation Costs	\$0
Construction Contingency	\$2,979,822
Relocation	\$0
Architectural/Engineering	\$1,441,651
Const. Interest, Perm. Financing	\$3,940,605
Legal Fees	\$0
Reserves	\$345,507
Other Costs	\$1,690,727
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$43,815,900</b>

**Residential**

Construction Cost Per Square Foot:	\$444
Per Unit Cost:	\$730,265
True Cash Per Unit Cost*:	\$660,265

**Construction Financing**

Source	Amount
U.S. Bank	\$30,343,413
City of Camarillo Loan	\$4,900,000
Ventura County Loan	\$1,000,000
Donated Land	\$4,200,000
Deferred Cost	\$1,322,607
General Partner Capital Contribution	\$100
Tax Credit Equity	\$2,049,780

**Permanent Financing**

Source	Amount
CCRC	\$11,868,000
City of Camarillo Loan	\$4,900,000
Ventura County Loan	\$1,000,000
Donated Land	\$4,200,000
General Partner Capital Contribution	\$100
Tax Credit Equity	\$21,847,800
<b>TOTAL</b>	<b>\$43,815,900</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$21,367,522
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,779
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.87391

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:	<b>Large Family</b>
Self-Score:	<b>78.914%</b>
CTCAC Final:	<b>78.914%</b>

**Significant Information / Additional Conditions:** None

**Resyndication and Resyndication Transfer :** 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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	4	4	4
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
Highest or High Resources Area	8	8	0
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
Revitalization Area Project	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**



**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

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
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 &amp; 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
<b>Total</b>	<b>\$20,650,313</b>

**Residential**

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

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
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	<b>TOTAL</b>	<b>\$20,650,313</b>
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:	<b>Large Family</b>
Final:	<b>51.214%</b>
CTCAC Final:	<b>51.214%</b>

**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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Broadway and 39th Street, located at 3900, 3906, 3908, 3916 Broadway and 3021, 3023, 3025 39th Street in Sacramento, requested and is being recommended for a reservation of \$1,811,835 in annual federal tax credits to finance the new construction of 42 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by The Related Companies of California and will be located in Senate District 6 and Assembly District 7.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-22-052

**Project Name** Broadway and 39th Street  
Site Address: 3900, 3906, 3908, 3916 Broadway and 3021, 3023, 3025 39th Street  
Sacramento, CA 95817 County: Sacramento  
Census Tract: 28

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,811,835	\$0
Recommended:	\$1,811,835	\$0

**Applicant Information**

Applicant: 39th and Broadway Housing Partners, LP  
Contact: Ann Silverberg  
Address: 44 Montgomery Street, Suite 1300  
San Francisco, CA 94104  
Phone: 510.610.9777  
Email: asilverberg@related.com

General Partner(s) / Principal Owner(s): Related/39th and Broadway Development Co, LLC  
AHA Sacramento II MGP, LLC  
Itasker Hollins Community Economic Development Corp  
General Partner Type: Joint Venture  
Parent Company(ies): The Related Companies of California  
Affordable Housing Access Inc  
Itasker Hollins Community Economic Development Corp  
Developer: The Related Companies of California  
Investor/Consultant: Union Bank  
Management Agent(s): John Stewart Company

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 43  
No. & % of Tax Credit Units: 42 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HUD Section 8 Project-based Vouchers (12 Units - 27%)

**Information**

Set-Aside: N/A  
Housing Type: Seniors  
Geographic Area: Capital Region  
CTCAC Project Analyst: Sopida Steinwert

**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:	7	15%
At or Below 45% AMI:	13	30%
At or Below 50% AMI:	8	15%
At or Below 55% AMI:	4	5%
At or Below 60% AMI:	5	10%

**Unit Mix**

7 SRO/Studio Units  
36 1-Bedroom Units  


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43 Total Units

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 SRO/Studio	30%	\$532
1 SRO/Studio	40%	\$710
2 SRO/Studio	45%	\$798
2 SRO/Studio	50%	\$887
3 1 Bedroom	30%	\$570
6 1 Bedroom	40%	\$760
11 1 Bedroom	45%	\$855
6 1 Bedroom	50%	\$950
4 1 Bedroom	55%	\$950
5 1 Bedroom	60%	\$950
1 1 Bedroom	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$435,000
Construction Costs	\$16,506,775
Rehabilitation Costs	\$0
Construction Contingency	\$981,890
Relocation	\$0
Architectural/Engineering	\$1,221,593
Const. Interest, Perm. Financing	\$1,237,933
Legal Fees	\$275,000
Reserves	\$183,227
Other Costs	\$1,726,836
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$24,768,254</b>

**Residential**

Construction Cost Per Square Foot:	\$601
Per Unit Cost:	\$576,006
True Cash Per Unit Cost*:	\$571,122

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Source	Amount	Source	Amount
MUFG Union Bank N.A.	\$15,451,901	MUFG Union Bank N.A.	\$1,407,000
SHRA HOME	\$6,120,000	SHRA HOME	\$6,120,000
SHRA Carryback Note	\$210,000	SHRA Carryback Note	\$210,000
Deferred Costs	\$183,228	Tax Credit Equity	\$17,031,254
Deferred Developer Fee	\$1,100,000	<b>TOTAL</b>	<b>\$24,768,254</b>
Tax Credit Equity	\$1,703,125		

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$15,505,733
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$20,157,453
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,811,835
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Union Bank
Federal Tax Credit Factor:	\$0.94000

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:	<b>Seniors</b>
Self-Score Final:	<b>47.538%</b>
CTCAC Final:	<b>46.529%</b>

**Significant Information / Additional Conditions**

The applicant specified in the Project Information that this project is a Scattered Site Project. Staff determined that this is not a Scattered Site Project pursuant to the definition stipulated in the CTCAC Regulation Section 10302.

Staff noted the hard cost contingency, as reflected in the project’s Application Sources & Uses table, exceeds 5% 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.



## **Standard Conditions**

An error was made in the calculation for the high-cost determination, specifically the eligible basis for the insurance line item in the Sources and Uses Development Budget. An updated CPA certification correcting the error was submitted. Staff reduced the applicant's voluntarily excluded eligible basis figure by a corresponding amount, resulting in no net affect to the requested unadjusted eligible basis figure or the tax credits recommended.

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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 1½ miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**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**

	<b>Federal/Annual</b>	<b>State/Total</b>
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**

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

**Unit Mix**

47 SRO/Studio Units
1 2-Bedroom Units
<b>48 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2022 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
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
<b>Total</b>	<b>\$28,691,758</b>

**Residential**

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

<b>Construction Financing</b>		<b>Permanent Financing</b>	
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 <sup>1</sup>	\$1,500,000
County of Orange - ARPA <sup>1</sup>	\$1,500,000	Tax Credit Equity	\$19,455,401
Deferred Fee and Costs	\$3,853,953	<b>TOTAL</b>	<b>\$28,691,758</b>
Tax Credit Equity	\$3,891,080		

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

<sup>1</sup>American 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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>SPECIAL NEEDS HOUSING TYPE</b>			
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Newmark Village Apartments, located at 1304 Faller Avenue in Sanger, requested and is being recommended for a reservation of \$2,133,637 in annual federal tax credits to finance the new construction of 71 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 14 and Assembly District 31.

The project financing includes state funding from the Affordable Housing and Sustainable Communities (AHSC) program(s) of HCD.

**Project Number** CA-22-055

**Project Name** Newmark Village Apartments  
**Site Address:** 1304 Faller Avenue  
Sanger, CA 93657 County: Fresno  
**Census Tract:** 62.010

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,133,637	\$0
Recommended:	\$2,133,637	\$0

**Applicant Information**

**Applicant:** Sanger Newmark Associates, a California Limited Partnership  
**Contact:** Caleb Roope  
**Address:** 430 E. State Street, Suite 100  
Eagle, ID 83616  
**Phone:** 208.461.0022  
**Email:** calebr@tpchousing.com

**General Partner(s) / 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.  
**Investor/Consultant:** Boston Financial  
**Management Agent(s):** Aperto Property Management, Inc.

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 5  
**Total # of Units:** 72  
**No. & % of Tax Credit Units:** 71 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** N/A

**Information**

Set-Aside: Rural  
Housing Type: Large Family  
Geographic Area: N/A  
CTCAC Project Analyst: Jonghyun(Tommy), Shim

**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:	16	20%
At or Below 40% AMI:	3	0%
At or Below 50% AMI (Rural):	29	40%
At or Below 60% AMI:	23	30%

**Unit Mix**

24 2-Bedroom Units
36 3-Bedroom Units
12 4-Bedroom Units
<u>72 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
4 2 Bedrooms	30%	\$526
1 2 Bedrooms	40%	\$702
9 2 Bedrooms	50%	\$877
10 2 Bedrooms	60%	\$1,053
8 3 Bedrooms	30%	\$607
2 3 Bedrooms	40%	\$810
15 3 Bedrooms	50%	\$1,013
10 3 Bedrooms	60%	\$1,215
4 4 Bedrooms	30%	\$678
5 4 Bedrooms	50%	\$1,130
3 4 Bedrooms	60%	\$1,356
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$281,813
Construction Costs	\$20,539,070
Rehabilitation Costs	\$0
Construction Contingency	\$1,320,000
Relocation	\$0
Architectural/Engineering	\$595,000
Const. Interest, Perm. Financing	\$1,316,600
Legal Fees	\$75,000
Reserves	\$297,621
Other Costs	\$1,818,970
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$28,444,074</b>



## **Residential**

Construction Cost Per Square Foot:	\$289
Per Unit Cost:	\$395,057
True Cash Per Unit Cost*:	\$395,057

### **Construction Financing**

<u>Source</u>	<u>Amount</u>
California Bank & Trust	\$24,197,046
Deferred Costs	\$297,621
Deferred Developer Fee	\$2,200,000
Tax Credit Equity	\$1,749,407

### **Permanent Financing**

<u>Source</u>	<u>Amount</u>
California Bank & Trust	\$4,250,000
HCD - AHSC	\$6,700,000
Tax Credit Equity	\$17,494,074
<b>TOTAL</b>	<b>\$28,444,074</b>

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

### **Determination of Credit Amount(s)**

Requested Eligible Basis:	\$18,236,210
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$23,707,073
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,133,637
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:	<b>Large Family</b>
Self-Score Final:	<b>44.090%</b>
CTCAC Final:	<b>44.090%</b>

### **Significant Information / Additional Conditions:**

Staff noted that 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, City of Sange - Planning Department, has completed a site review of this project and 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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within 1 mile of public park or community center open to general public	3	3	3
Within 2 miles of public library	2	2	2
Within 2 miles of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within ¾ mile of a public elementary school	3	3	3
Within 1 mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Yosemite Apartments, located at 480 Eddy Street in San Francisco, requested and is being recommended for a reservation of \$1,183,694 in annual federal tax credits to finance the rehabilitation of 31 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Tenderloin Neighborhood Development Corporation and is located in Senate District 11 and Assembly District 17.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-22-056

**Project Name** Yosemite Apartments  
Site Address: 480 Eddy Street  
San Francisco, CA 94109 County: San Francisco  
Census Tract: 124.010

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,183,694	\$0
Recommended:	\$1,183,694	\$0

**Applicant Information**

Applicant: Yosemite Apartment Associates, L.P.  
Contact: Maurilio Leon  
Address: 201 Eddy Street  
San Francisco, CA 94102  
Phone: 415-358-3933  
Email: mleon@tndc.org

General Partner(s) / Principal Owner(s): Yosemite GP LLC  
General Partner Type: Nonprofit  
Parent Company(ies): Tenderloin Neighborhood Development Corporation  
Developer: Tenderloin Neighborhood Development Corporation  
Investor/Consultant: California Housing Partnership Corporation  
Management Agent(s): Tenderloin Neighborhood Development Corporation

**Project Information**

Construction Type: Rehabilitation  
Total # Residential Buildings: 1  
Total # of Units: 32  
No. & % of Tax Credit Units: 31 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HUD Section 8 Project Based Vouchers (8 Units - 25%)

**Information**

Set-Aside: N/A  
Housing Type: SRO  
Geographic Area: San Francisco County  
CTCAC Project Analyst: Nick White

**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:	11	35%
At or Below 35% AMI:	2	5%
At or Below 40% AMI:	8	25%
At or Below 45% AMI:	2	5%
At or Below 50% AMI:	5	15%
At or Below 60% AMI:	3	5%

**Unit Mix**

31 SRO/Studio Units
<u>1 1-Bedroom Units</u>
32 Total Units

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
8 SRO/Studio	30%	\$246
1 SRO/Studio	30%	\$734
1 SRO/Studio	30%	\$978
1 1 Bedroom	30%	\$879
2 SRO/Studio	35%	\$864
8 SRO/Studio	40%	\$861
2 SRO/Studio	45%	\$935
2 SRO/Studio	50%	\$941
2 SRO/Studio	50%	\$1,347
1 SRO/Studio	50%	\$1,631
1 SRO/Studio	55%	\$978
2 SRO/Studio	60%	\$983
1 SRO/Studio	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$6,412,339
Construction Costs	\$0
Rehabilitation Costs	\$15,104,069
Construction Contingency	\$2,025,317
Relocation	\$1,327,950
Architectural/Engineering	\$1,238,412
Const. Interest, Perm. Financing	\$1,381,337
Legal Fees	\$234,536
Reserves	\$253,105
Other Costs	\$579,661
Developer Fee	\$1,100,000
Commercial Costs	\$52,913
<b>Total</b>	<b>\$29,709,639</b>

**Residential**

Construction Cost Per Square Foot:	\$774
Per Unit Cost:	\$926,705
True Cash Per Unit Cost*:	\$788,387

**Construction Financing**

Source	Amount
Silicon Valley Bank	\$12,915,991
**Assumed CCSF CDBG Loan	\$1,628,625
***Assumed CCSF CDBG-CHRP Loan	\$261,993
CCSF MOHCD Loan	\$1,800,000
Seller Carryback	\$4,434,382
TNDC Sponsor Loan	\$6,208,974
Withdrawal of Existing Reserves	\$72,647
Tax Credit Equity	\$1,345,802

**Permanent Financing**

Source	Amount
**CCSF CDBG Loan	\$1,628,625
***CCSF CDBG-CHRP Loan	\$261,993
New CCSF MOHCD Loan	\$1,800,000
Seller Carryback Loan	\$4,434,382
Sponsor Loan	\$6,208,974
Withdrawal of Existing Reserves	\$72,647
Historic Tax Credit Equity	\$4,027,334
Tax Credit Equity	\$11,275,684
<b>TOTAL</b>	<b>\$29,709,639</b>

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

\*City and County of San Francisco - CDBG

\*\*\*City and County of San Francisco- Community Housing Rehabilitation Program

**Determination of Credit Amount(s)**

Requested Eligible Basis (Rehabilitation):	\$10,117,043
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$13,152,156
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,183,694
Approved Developer Fee in Project Cost:	\$1,100,000
Approved Developer Fee in Eligible Basis:	\$1,097,832
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.95258

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:	<b>SRO</b>
Self-Score	<b>43.724%</b>
CTCAC Final	<b>43.724%</b>

**Significant Information / Additional Conditions**

Development costs are roughly \$788,387 per unit. The factors affecting this cost includes costly structural upgrading and the San Francisco Bay Area Market.

This SRO project received and was granted a waiver to use 5% vacancy rate.

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, San Francisco Mayor’s Office of Housing and Community Development, has completed a site review of this project and strongly 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.



<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit, service every 30 minutes in rush hours	6	6	6
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 ½ mile of a weekly farmers' market operating at least 5 months/year	2	2	2
Within ½ mile of medical clinic or hospital	3	3	3
In-unit high speed internet service	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Health & wellness services and programs, minimum 100 hrs per 100 bdrms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Historic Preservation	1	1	1
Revitalization Area Project	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Lancaster HNR-1 Apartments, located at W Avenue I and Sierra Highway in Lancaster, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$8,333,334 in total state tax credits to finance the new construction of 112 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by BRIDGE Housing Corporation and will be located in Senate District 21 and Assembly District 36.

The project financing includes state funding from the Affordable Housing and Sustainable Communities (AHSC) program of HCD.

**Project Number** CA-22-058

**Project Name** Lancaster HNR-1 Apartments  
**Site Address:** W Avenue I and Sierra Highway  
Lancaster, CA 93534 County: Los Angeles  
**Census Tract:** 9006.060

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,500,000	\$8,333,334
Recommended:	\$2,500,000	\$8,333,334

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

**Applicant Information**

**Applicant:** BRIDGE Housing Corporation  
**Contact:** Anna Slaby  
**Address:** 600 California Street, Suite 900  
San Francisco, CA 94108  
**Phone:** 858.248.2416  
**Email:** [aslaby@bridgehousing.com](mailto:aslaby@bridgehousing.com)

**General Partner(s) / Principal Owner(s):** HNR-1, LLC  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** BRIDGE Housing Corporation  
**Developer:** BRIDGE Housing Corporation  
**Investor/Consultant:** California Housing Partnership Corporation  
**Management Agent(s):** BRIDGE Property Management Company

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 17  
**Total # of Units:** 113  
**No. & % of Tax Credit Units:** 112 100%  
**Federal Set-Aside Elected:** 40%/60%

**Information**

Set-Aside: N/A  
Housing Type: Large Family  
Geographic Area: Balance of Los Angeles County  
CTCAC Project Analyst: Sopida Steinwert

**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:	26	20%
At or Below 40% AMI:	8	5%
At or Below 50% AMI:	46	40%
At or Below 60% AMI:	32	25%

**Unit Mix**

54 1-Bedroom Units  
30 2-Bedroom Units  
29 3-Bedroom Units  


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113 Total Units

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
20 1 Bedroom	30%	\$670
3 2 Bedrooms	30%	\$804
3 3 Bedrooms	30%	\$929
4 2 Bedrooms	40%	\$1,072
4 3 Bedrooms	40%	\$1,239
26 1 Bedroom	50%	\$1,116
9 2 Bedrooms	50%	\$1,340
11 3 Bedrooms	50%	\$1,548
8 1 Bedroom	60%	\$1,340
13 2 Bedrooms	60%	\$1,608
11 3 Bedrooms	60%	\$1,856
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,955,549
Construction Costs	\$39,351,706
Rehabilitation Costs	\$0
Construction Contingency	\$2,982,468
Relocation	\$0
Architectural/Engineering	\$2,350,636
Const. Interest, Perm. Financing	\$4,559,314
Legal Fees	\$123,487
Reserves	\$350,929
Other Costs	\$3,832,919
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$57,707,008</b>

## Residential

Construction Cost Per Square Foot:	\$293
Per Unit Cost:	\$510,681
True Cash Per Unit Cost*:	\$510,681

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
JP Morgan Chase	\$46,365,114	JP Morgan Chase	\$6,321,000
City of Lancaster	\$5,393,800	HCD AHSC AHD**	\$14,291,374
City of Lancaster Land Loan	\$1,800,000	City of Lancaster	\$5,393,800
Deferred Costs	\$1,322,260	City of Lancaster Land Loan	\$1,800,000
Tax Credit Equity	\$2,825,834	Tax Credit Equity	\$29,900,834
		<b>TOTAL</b>	<b>\$57,707,008</b>

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

\*\*HCD Affordable Housing and Sustainable Communities

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$53,607,623
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,778
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$8,333,334
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.91270
State Tax Credit Factor:	\$0.85000

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:	<b>Large Family</b>
Self-Score Final:	<b>74.891%</b>
CTCAC Final:	<b>74.891%</b>

### Significant Information / Additional Conditions

The applicant's estimate of contractor profit, overhead and general requirement costs exceeds CTCAC limit of 14%. The applicant is cautioned that at final review, prior to the issuance of the IRS 8609 forms, any costs or eligible basis that exceeds the limits will not be allowed.

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.

**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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public library	3	3	3
Within 1½ miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3
Within 1 mile of a public high school	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Chapel Avenue Apartments, located at 103 North Chapel Avenue in Alhambra, requested and is being recommended for a reservation of \$2,191,271 in annual federal tax credits to finance the new construction of 43 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Related Development Company of California, LLC and will be located in Senate District 22 and Assembly District 49.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-22-059

**Project Name** Chapel Avenue Apartments  
Site Address: 103 North Chapel Avenue  
Alhambra, CA 91801  
County: Los Angeles  
Census Tract: 4803.02

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,191,271	\$0
Recommended:	\$2,191,271	\$0

**Applicant Information**

Applicant: Chapel Housing Partners, L.P.  
Contact: Frank Cardone  
Address: 18201 Von Karman Avenue, Suite 900  
Irvine, CA 92612  
Phone: (949) 660-7272  
Email: FCardone@Related.com

General Partner(s) / Principal Owner(s): Related/Chapel Development Co., LLC  
FFAH V Chapel Avenue, LLC  
General Partner Type: Joint Venture  
Parent Company(ies): The Related Companies of California, LLC  
Foundation for Affordable Housing  
Developer: Related Development Company of California, LLC  
Investor/Consultant: U.S. Bancorp Community Development Corporation  
Management Agent(s): Related Management Company

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 44  
No. & % of Tax Credit Units: 43 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HUD Section 8 Project-based vouchers (22 units - 50%)

**Information**

Set-Aside: N/A  
Housing Type: Large Family  
Geographic Area: Balance of Los Angeles County  
CTCAC Project Analyst: Brett Andersen

**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:	24	55%
At or Below 50% AMI:	9	20%
At or Below 60% AMI:	10	20%

**Unit Mix**

7 SRO/Studio Units
14 1-Bedroom Units
11 2-Bedroom Units
12 3-Bedroom Units
<u>44 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
7 SRO/Studio	30%	\$420
3 1 Bedroom	30%	\$450
11 1 Bedroom	30%	\$670
1 2 Bedrooms	30%	\$804
4 2 Bedrooms	50%	\$1,340
6 2 Bedrooms	60%	\$1,608
2 3 Bedrooms	30%	\$929
4 3 Bedrooms	50%	\$1,548
5 3 Bedrooms	60%	\$1,858
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,430,612
Construction Costs	\$21,694,048
Rehabilitation Costs	\$0
Construction Contingency	\$1,342,137
Relocation	\$0
Architectural/Engineering	\$1,684,790
Const. Interest, Perm. Financing	\$1,851,665
Legal Fees	\$195,545
Reserves	\$618,624
Other Costs	\$2,696,705
Developer Fee	\$2,200,000
Commercial Costs	\$706,849
<b>Total</b>	<b>\$35,420,975</b>



## Residential

Construction Cost Per Square Foot:	\$477
Per Unit Cost:	\$788,957
True Cash Per Unit Cost*:	\$788,957

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
U.S. Bancorp Community Development	\$2,015,767	MUFG Union Bank	\$3,743,300
MUFG Union Bank	\$20,166,584	City of Alhambra	\$6,520,000
City of Alhambra	\$6,520,000	LACDA	\$3,240,000
Los Angeles County Development Authority	\$3,240,000	SGVRHT	\$1,760,000
San Gabriel Valley Regional Housing Trust	\$1,760,000	Tax Credit Equity	\$20,157,675
Deferred Developer Fee	\$1,100,000	<b>TOTAL</b>	<b>\$35,420,975</b>
Deferred Costs	\$618,624		

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

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$24,347,453
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$24,347,453
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,191,271
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	U.S. Bancorp Community Development Corporation
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

Self-Score Final:	<b>63.400%</b>
CTCAC Final:	<b>63.400%</b>

### Significant Information / Additional Conditions

The project has a per unit cost of \$788,957. This is due to high real estate prices of the area, as well as increased price of building materials.

**Resyndication and Resyndication Transfer Event:** None.

### Local Reviewing Agency

The Local Reviewing Agency, City of Alhambra, has completed a site review of this project and strongly 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

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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 ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ½ mile of a public middle school	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
Highest or High Resources Area	8	8	8
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Santa Fe Senior Village, located at 414-428 North Santa Fe Avenue in Vista, requested and is being recommended for a reservation of \$1,192,885 in annual federal tax credits to finance the new construction of 53 units of housing serving seniors and special needs tenants with rents affordable to households earning 30%-40% of area median income (AMI). The project will be developed by National Community Renaissance of California and will be located in Senate District 36 and Assembly District 76.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the No Place Like Home (NPLH) program of HCD.

**Project Number** CA-22-061

**Project Name** Santa Fe Senior Village  
Site Address: 414-428 North Santa Fe Avenue  
Vista, CA 92083 County: San Diego  
Census Tract: 195.010

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,192,885	\$0
Recommended:	\$1,192,885	\$0

**Applicant Information**

Applicant: Santa Fe Senior Village LP  
Contact: Theodore T. Miyahara  
Address: 9421 Haven Avenue  
Rancho Cucamonga, CA 91730  
Phone: 619-876-4222  
Email: tmiyahara@ots-sdchc.org

General Partner(s) / Principal Owner(s): NCRC Santa Fe SV LLC  
SDCHC Santa Fe Senior LLC  
General Partner Type: Nonprofit  
Parent Company(ies): National Community Renaissance of California  
San Diego Community Housing Corporation  
Developer: National Community Renaissance of California  
Investor/Consultant: Hudson Housing Capital  
Management Agent(s): National Community Renaissance of California

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 54  
No. & % of Tax Credit Units: 53 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HOME / HUD Section 8 Project-based Vouchers (53 units - 100%)

**Information**

Set-Aside: Nonprofit (homeless assistance)  
Housing Type: Special Needs Seniors  
Type of Special Needs: Homeless/formerly homeless/persons with physical, mental, developmental disabilities  
Average Targeted Affordability of Special Needs/SRO Project Units: 33.40%  
% of Special Need Units: 27 units 50.00%  
Geographic Area: San Diego County  
CTCAC Project Analyst: Sarah Gullikson

**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:	35	65%
At or Below 40% AMI:	18	30%

**Unit Mix**

51 SRO/Studio Units
2 1-Bedroom Units
1 2-Bedroom Units
<u>54 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
34 SRO/Studio	30%	\$683
17 SRO/Studio	40%	\$911
1 1 Bedroom	30%	\$732
1 1 Bedroom	40%	\$976
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,549,995
Construction Costs	\$13,580,492
Rehabilitation Costs	\$0
Construction Contingency	\$876,599
Relocation	\$0
Architectural/Engineering	\$910,552
Const. Interest, Perm. Financing	\$1,265,515
Legal Fees	\$200,000
Reserves	\$821,301
Other Costs	\$2,094,814
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$24,499,268</b>

## Residential

Construction Cost Per Square Foot:	\$541
Per Unit Cost:	\$453,690
True Cash Per Unit Cost*:	\$453,690

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
JP Morgan Chase	\$12,481,758	JP Morgan Chase	\$4,365,274
County of San Diego HOME	\$3,825,000	County of San Diego NPLH	\$5,125,000
County of San Diego NPLH	\$4,612,500	County of San Diego HOME	\$4,250,000
Deferred Costs	\$1,987,508	Impact Fee Waiver	\$142,317
Tax Credit Equity	\$1,592,502	Tax Credit Equity	\$10,616,677
		<b>TOTAL</b>	<b>\$24,499,268</b>

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

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$10,195,594
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$13,254,273
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,192,885
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Hudson Housing Capital
Federal Tax Credit Factor:	\$0.89000

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:	<b>Special Needs</b>
Self-Score Final:	<b>87.906%</b>
CTCAC Final:	<b>87.860%</b>

### Significant Information / Additional Conditions

Staff noted the hard cost contingency, as reflected in the project’s Application Sources & Uses table, exceeds 5% of the project’s total hard construction costs.

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

**Resyndication and Resyndication Transfer Event:** None.

### Local Reviewing Agency

The Local Reviewing Agency, City of Vista, has completed a site review of this project and strongly 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.

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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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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 1 mile of public library	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Special Needs project within 1 mile of facility serving tenant population	2	2	2
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
<b>SPECIAL NEEDS HOUSING TYPE</b>			
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**



**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Guardian Village, located at 601 E. 11th Street in Reedley, requested and is being recommended for a reservation of \$1,467,628 in annual federal tax credits to finance the new construction of 47 units of housing serving families with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by Self-Help Enterprises and will be located in Senate District 14 and Assembly District 31.

The project financing includes state funding from the Permanent Local Housing Allocation (PHLA), Joe Serna Jr. Farmworker Housing Grant, and the Local Government Matching Grant (LGMG) programs of HCD.

**Project Number** CA-22-066

**Project Name** Guardian Village  
Site Address: 601 E. 11th Street  
Reedley, CA 93654  
County: Fresno

Census Tract: 66.06

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,467,628	\$0
Recommended:	\$1,467,628	\$0

**Applicant Information**

Applicant: Self-Help Enterprises  
Contact: Betsy McGovern-Garcia  
Address: 8445 W. Elowin Court  
Visalia, CA 93291  
Phone: (559) 802-1653  
Email: BetsyG@selfhelpenterprises.org

General Partner(s) / Principal Owner(s): Guardian Village LLC  
General Partner Type: Nonprofit  
Parent Company(ies): Self-Help Enterprises  
Developer: Self-Help Enterprises  
Investor/Consultant: California Housing Partnership  
Management Agent(s): AWI Management Corporation

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 5  
Total # of Units: 48  
No. & % of Tax Credit Units: 47 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HOME

**Information**

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

**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:	10	20%
At or Below 40% AMI:	6	10%
At or Below 50% AMI:	31	40%

**Unit Mix**

22 1-Bedroom Units
14 2-Bedroom Units
12 3-Bedroom Units
<u>48 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 1 Bedroom	30%	\$438
3 2 Bedrooms	30%	\$526
1 3 Bedrooms	30%	\$607
2 3 Bedrooms	40%	\$810
2 2 Bedrooms	50%	\$877
5 3 Bedrooms	50%	\$1,013
2 1 Bedroom	30%	\$438
1 2 Bedrooms	30%	\$526
1 3 Bedrooms	30%	\$607
2 1 Bedroom	40%	\$585
1 2 Bedrooms	40%	\$702
1 3 Bedrooms	40%	\$810
16 1 Bedroom	50%	\$731
6 2 Bedrooms	50%	\$877
2 3 Bedrooms	50%	\$1,013
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,510,770
Construction Costs	\$14,024,286
Rehabilitation Costs	\$0
Construction Contingency	\$941,715
Relocation	\$0
Architectural/Engineering	\$770,000
Const. Interest, Perm. Financing	\$1,373,359
Legal Fees	\$150,000
Reserves	\$184,236
Other Costs	\$936,013
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$22,090,379</b>

**Residential**

Construction Cost Per Square Foot:	\$311
Per Unit Cost:	\$460,216
True Cash Per Unit Cost*:	\$438,720

**Construction Financing**

Source	Amount
U.S. Bank - Construction Loan	\$13,601,934
LGMG State Surplus Loan (Sponsor)	\$1,881,832
HOME Loan	\$473,442
PLHA Loan	\$1,276,558
NeighborWorks Loan (Sponsor)	\$1,000,000
Impact Fee Waiver	\$131,832
Donated Land	\$700,000
Deferred Developer Fee	\$200,000
Costs Deferred to Conversion	\$1,623,916
Tax Credit Equity	\$1,200,865

**Permanent Financing**

Source	Amount
Conventional Perm Loan - USB	\$1,205,000
Joe Serna Farmworker Loan	\$2,133,066
LGMG State Surplus Loan (Spons)	\$1,881,832
HOME Loan	\$473,442
PLHA Loan	\$1,276,558
NeighborWorks Loan (Sponsor)	\$1,000,000
Impact Fee Waiver	\$131,832
Donated Land	\$700,000
Deferred Developer Fee	\$200,000
Tax Credit Equity	\$13,088,649

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$16,306,975
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$16,306,975
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,467,628
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.89182

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:	<b>Large Family</b>
Self-Score Final:	<b>52.480%</b>
CTCAC Final:	<b>52.480%</b>

**Significant Information / Additional Conditions**

The applicant has requested the use of a CUAC utility allowance. CTCAC staff is in the process of reviewing the CUAC documentation for this existing project. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

**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

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ½ mile of a public middle school	3	3	3
Within 1 mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	2	2	2
Highest or High Resources Area	8	8	8
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Parkside Apartments, located at 442 North Kellogg Street in Lake Elsinore, requested and is being recommended for a reservation of \$1,189,014 in annual federal tax credits to finance the acquisition & rehabilitation of 36 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Dawson Holdings, Inc. and is located in Senate District 28 and Assembly District 67.

The project will be receiving rental assistance in the form of USDA Section 521.

**Project Number** CA-22-067

**Project Name** Parkside Apartments  
Site Address: 442 North Kellogg Street  
Lake Elsinore, CA 92530 County: Riverside  
Census Tract: 430.060

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,189,014	\$0
Recommended:	\$1,189,014	\$0

**Applicant Information**

Applicant: DHI Parkside Apartments, LP  
Contact: Justin Solomon  
Address: 7250 Redwood Blvd, Ste 214  
Novato, CA 94945  
Phone: (415) 609-5352  
Email: jsolomon@d-h-i.net

General Partner(s) / Principal Owner(s): DHI Parkside Associates, LLC  
Community Resident Services  
General Partner Type: Joint Venture  
Parent Company(ies): Dawson Holdings, Inc.  
Community Resident Services  
Developer: Dawson Holdings, Inc.  
Investor/Consultant: R4 Capital LLC

**Project Information**

Construction Type: Acquisition & Rehabilitation  
Total # Residential Buildings: 9  
Total # of Units: 37  
No. & % of Tax Credit Units: 36 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: USDA Section 521 (31 Units - 86.12%)

**Information**

Set-Aside: N/A  
Housing Type: Seniors  
Geographic Area: Inland Empire Region  
CTCAC Project Analyst: Cynthia Compton

**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:	4	10%
At or Below 45% AMI:	11	30%
At or Below 50% AMI:	9	25%
At or Below 60% AMI:	12	30%

**Unit Mix**

36 1-Bedroom Units
<u>1 2-Bedroom Units</u>
37 Total Units

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>(including utilities)</u>
4 1 Bedroom	30%	\$495
11 1 Bedroom	45%	\$742
9 1 Bedroom	50%	\$825
12 1 Bedroom	60%	\$990
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,740,000
Construction Costs	\$0
Rehabilitation Costs	\$6,668,658
Construction Contingency	\$728,790
Relocation	\$40,370
Architectural/Engineering	\$180,000
Const. Interest, Perm. Financing	\$399,210
Legal Fees	\$155,000
Reserves	\$119,317
Other Costs	\$788,423
Developer Fee	\$1,327,400
Commercial Costs	\$0
<b>Total</b>	<b>\$12,147,168</b>

**Residential**

Construction Cost Per Square Foot:	\$258
Per Unit Cost:	\$328,302
True Cash Per Unit Cost*:	\$328,302

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Bonneville Construction Loan	\$8,000,000	Bonneville Permanent Loan	\$710,000
USDA-515 Loan	\$631,865	USDA 515 Loan	\$631,865
Deferred Development Fees	\$411,977	Acquired Replacement Reserve	\$70,528
Tax Credit Equity	\$3,103,326	Deferred Developer Fee	\$390,354
		Tax Credit Equity	\$10,344,421
		<b>TOTAL</b>	<b>\$12,147,168</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis (Rehabilitation):	\$9,952,870
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$613,200
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$12,938,731
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$613,200
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,164,486
Maximum Annual Federal Credit, Acquisition:	\$24,528
Total Maximum Annual Federal Credit:	\$1,189,014
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,327,400
Investor/Consultant:	R4 Capital LLC
Federal Tax Credit Factor:	\$0.87000

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:	<b>Seniors</b>
Self-Score Final	<b>21.115%</b>
CTCAC Final:	<b>21.115%</b>

**Significant Information / Additional Conditions: None.**

**Resyndication and Resyndication Transfer Event: None.**

**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

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7
Management Experience	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	4	4
Within ½ mile of public park or community center open to general public	3	3
Within ½ mile of public library	3	3
Within ½ mile of a neighborhood market of at least 5,000 sf	3	3
Within ½ mile of medical clinic or hospital	3	3
Within 1 mile of a pharmacy	1	1
<b>Service Amenities</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES		
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3
<b>Lowest Income</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Huntington Square, located at 6101 State Street in Huntington Park, requested and is being recommended for a reservation of \$1,892,481 in annual federal tax credits to finance the new construction of 47 units of housing serving seniors and special needs tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by A Community of Friends and will be located in Senate District 33 and Assembly District 53.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Veterans Housing and Homelessness Prevention (VHHP) of HCD and Special Needs Housing Program (SNHP) through CalHFA.

**Project Number** CA-22-070

**Project Name** Huntington Square  
**Site Address:** 6101 State Street  
Huntington Park, CA 90255 County: Los Angeles  
**Census Tract:** 037 5325.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,892,481	\$0
Recommended:	\$1,892,481	\$0

**Applicant Information**

**Applicant:** Huntington Square, L.P.  
**Contact:** Mee Heh Risdon  
**Address:** 3701 Wilshire Boulevard, Suite 700  
Los Angeles, CA 90010  
**Phone:** 213-480-0809  
**Email:** mrisdon@acof.org

**General Partner(s) / Principal Owner(s):** Supportive Housing LLC  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** A Community of Friends  
**Developer:** A Community of Friends  
**Investor/Consultant:** California Housing Partnership  
**Management Agent(s):** A Community of Friends

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 1  
**Total # of Units:** 48  
**No. & % of Tax Credit Units:** 47 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** HUD Section 8 Project Based Vouchers (35 -72%)

**Information**

Set-Aside: Nonprofit (homeless assistance)  
 Housing Type: Special Needs Seniors  
 Type of Special Needs: Homeless/formerly homeless  
 Average Targeted Affordability of Special Needs/SRO Project Units: 42.13%  
 % of Special Need Units: 35 units 74.40%  
 Geographic Area: Balance of Los Angeles County  
 CTCAC Project Analyst: Nick White

**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:	20	42%
At or Below 40% AMI:	2	4%
At or Below 50% AMI:	20	42%
At or Below 60% AMI:	5	10%

**Unit Mix**

17 SRO/Studio Units
30 1-Bedroom Units
1 2-Bedroom Units
<u>48 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
7 SRO/Studio	30%	\$625
9 1 Bedroom	30%	\$670
1 SRO/Studio	30%	\$625
3 1 Bedroom	30%	\$670
2 SRO/Studio	50%	\$1,042
13 1 Bedroom	50%	\$1,116
5 SRO/Studio	50%	\$1,042
5 1 Bedroom	60%	\$1,340
2 SRO/Studio	40%	\$834
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,325,879
Construction Costs	\$18,606,956
Rehabilitation Costs	\$0
Construction Contingency	\$2,018,482
Relocation	\$0
Architectural/Engineering	\$1,183,000
Const. Interest, Perm. Financing	\$3,339,049
Legal Fees	\$200,000
Reserves	\$545,643
Other Costs	\$2,005,949
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$32,424,958</b>

**Residential**

Construction Cost Per Square Foot:	\$523
Per Unit Cost:	\$675,520
True Cash Per Unit Cost*:	\$675,520

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Source	Amount	Source	Amount
Citibank	\$22,689,103	Citibank	\$3,398,686
LACDA AHTF**	\$4,925,000	CA HCD - VHHP	\$5,521,939
CalHFA/LA DMH SNHP	\$2,000,000	LACDA AHTF**	\$5,000,000
Costs Deferred to Completion	\$1,440,286	CalHFA/LA DMH SNHP	\$2,000,000
Tax Credit Equity	\$1,515,883	Tax Credit Equity	\$16,504,333
		<b>TOTAL</b>	<b>\$32,424,958</b>

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

\*\*Los Angeles County Development Authority Affordable Trust Funds

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$16,175,051
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$21,027,566
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,892,481
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.87210

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:	<b>Special Needs</b>
Self-Score Final:	<b>77.727%</b>
CTCAC Final:	<b>77.278%</b>

**Significant Information / Additional Conditions**

Staff noted the hard cost contingency, as reflected in the project’s Application Sources & Uses table, exceeds 5% of the project’s total hard construction costs

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 CA-22-070 must be completed as part of the placed in service

**Resyndication and Resyndication Transfer Event: None**

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

**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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
Negative Points		0	0
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public library	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
SPECIAL NEEDS HOUSING TYPE			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Enhanced Accessibility and Visitability	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Garden Estates, located at 1400 S. Greene Avenue in Dinuba, requested and is being recommended for a reservation of \$700,728 in annual federal tax credits to finance the acquisition and rehabilitation of 43 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Micon Real Estate, Inc. and is located in Senate District 14 and Assembly District 26.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of USDA Rural Housing Service 521 Rental Assistance.

**Project Number** CA-22-071

**Project Name** Garden Estates  
Site Address: 1400 S. Greene Avenue  
Dinuba, CA 93618  
County: Tulare  
Census Tract: 5.010

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$700,728	\$0
Recommended:	\$700,728	\$0

**Applicant Information**

Applicant: Central Valley Coalition for Affordable Housing  
Contact: Christina Alley  
Address: 3351 "M" Street, Suite 100  
Merced, CA 95348  
Phone: (209) 388-0782  
Email: chris@centralvalleycoalition.com

General Partner(s) / Principal Owner(s): Central Valley Coalition for Affordable Housing  
General Partner Type: Nonprofit  
Parent Company(ies): Central Valley Coalition for Affordable Housing  
Developer: Micon Real Estate, Inc.  
Investor/Consultant: Boston Financial  
Management Agent(s): Buckingham Property Management

**Project Information**

Construction Type: Acquisition & Rehabilitation  
Total # Residential Buildings: 11  
Total # of Units: 44  
No. & % of Tax Credit Units: 43 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: USDA 521 Rental Assistance Program (43 units - 100%)



**Information**

Set-Aside: Rural  
Housing Type: At-Risk  
Geographic Area: N/A  
CTCAC Project Analyst: Brett Andersen

**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 45% AMI:	5	10%
At or Below 50% AMI (Rural):	22	50%
At or Below 55% AMI (Rural):	5	10%
At or Below 60% AMI:	6	10%

**Unit Mix**

<u>44 1-Bedroom Units</u>
<u>44 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 1 Bedroom	30%	\$438
5 1 Bedroom	45%	\$658
22 1 Bedroom	50%	\$731
5 1 Bedroom	55%	\$804
6 1 Bedroom	60%	\$877
1 1 Bedroom	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,200,000
Construction Costs	\$0
Rehabilitation Costs	\$3,609,400
Construction Contingency	\$454,540
Relocation	\$500,000
Architectural/Engineering	\$160,000
Const. Interest, Perm. Financing	\$432,000
Legal Fees	\$275,000
Reserves	\$515,203
Other Costs	\$212,660
Developer Fee	\$880,899
Commercial Costs	\$0
<b>Total</b>	<b>\$9,239,702</b>

**Residential**

Construction Cost Per Square Foot:	\$115
Per Unit Cost:	\$209,993
True Cash Per Unit Cost*:	\$203,527

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Bonneville Gap Construction Loan	\$3,582,252	USDA Section 515 Loans	\$2,125,107
USDA Section 515 Loans	\$2,125,107	Bonneville Sec. 538 Perm Loan	\$733,754
Investor's Equity	\$1,676,492	Deferred Developer Fee	\$284,507
Deferred Operating Reserves	\$103,930	Tax Credit Equity	\$6,096,334
Deferred Reserves & Accounts	\$352,003	<b>TOTAL</b>	<b>\$9,239,702</b>
Bonneville Sec. 538 Perm Loan at Const.	\$733,754		
Deferred Developer Fee	\$666,164		

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

**Determination of Credit Amount(s)**

Requested Eligible Basis (Rehabilitation):	\$5,989,128
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$7,785,866
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$700,728
Approved Developer Fee (in Project Cost & Eligible Basis):	\$880,899
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.87000

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:	<b>At-Risk</b>
Self-Score Final:	<b>55.766%</b>
CTCAC Final:	<b>55.766%</b>

**Significant Information / Additional Conditions**

The project has reserves which are in excess of CTCAC requirements. This is permitted as the project is receiving a loan guaranteed by the USDA Section 538 Rural Development program, which requires an extra reserve.

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.

## **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

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit, service every 30 minutes in rush hours	6	6	6
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 mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

The project, 11730 Ramona Boulevard, located at 11730 Ramona Boulevard in El Monte, requested and is being recommended for a reservation of \$1,975,004 in annual federal tax credits to finance the new construction of 38 units of housing serving special needs homeless tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Linc Housing Corporation and will be located in Senate District 22 and Assembly District 49.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-22-072

**Project Name** 11730 Ramona Boulevard  
Site Address: 11730 Ramona Boulevard  
El Monte, CA 91732 County: Los Angeles  
Census Tract: 4333.040

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,975,004	\$0
Recommended:	\$1,975,004	\$0

**Applicant Information**

Applicant: Linc Housing Corporation  
Contact: Will Sager  
Address: 3590 Elm Avenue  
Long Beach, CA 90807  
Phone: 562-684-1127  
Email: wsager@linchousing.org

General Partner(s) / Principal Owner(s): Linc Housing Corporation  
General Partner Type: Nonprofit  
Parent Company(ies): Linc Housing Corporation  
Developer: Linc Housing Corporation  
Investor/Consultant: Raymond James Housing Investments, Inc.  
Management Agent(s): Aperto Property Management

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 39  
No. & % of Tax Credit Units: 38 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HUD Section 8 Project Based Vouchers (38 Units - 100%)

**Information**

Set-Aside: Nonprofit (homeless assistance)  
Housing Type: Special Needs  
Type of Special Needs: Homeless  
Average Targeted Affordability of Special Needs/SRO Project Units: 30.00%  
% of Special Need Units: 38 units 100.00%  
Geographic Area: Balance of Los Angeles County  
CTCAC Project Analyst: Franklin Cui

**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:	38	80%

**Unit Mix**

38 1-Bedroom Units
1 2-Bedroom Units
<u>39 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
38 1 Bedroom	30%	\$670
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,335,000
Construction Costs	\$19,413,972
Rehabilitation Costs	\$0
Construction Contingency	\$1,249,061
Relocation	\$0
Architectural/Engineering	\$1,295,000
Const. Interest, Perm. Financing	\$1,803,908
Legal Fees	\$145,000
Reserves	\$174,840
Other Costs	\$1,984,926
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$29,601,707</b>

**Residential**

Construction Cost Per Square Foot:	\$662
Per Unit Cost:	\$759,018
True Cash Per Unit Cost*:	\$759,018

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Source	Amount	Source	Amount
Bank of America	\$17,235,742	Bank of America	\$4,726,571
LACDA**	\$4,925,000	LACDA**	\$5,000,000
San Gabriel Valley	\$1,560,000	San Gabriel Valley	\$1,560,000
City of El Monte	\$700,000	City of El Monte	\$700,000
Deferred Costs	\$897,106	General Partner Equity	\$100
General Partner Equity	\$100	Tax Credit Equity	\$17,615,036
Tax Credit Equity	\$4,283,759	<b>TOTAL</b>	<b>\$29,601,707</b>

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

\*\*Los Angeles Community Development Authority

#### **Determination of Credit Amount(s)**

Requested Eligible Basis:	\$16,880,373
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$21,944,485
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,975,004
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Raymond James Housing Investments, Inc.
Federal Tax Credit Factor:	\$0.89190

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:	<b>Special Needs</b>
Self-Score Final:	<b>62.643%</b>
CTCAC Final:	<b>63.532%</b>

**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.



<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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 1 mile of public library	2	2	2
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>SPECIAL NEEDS HOUSING TYPE</b>			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Avalon Commons - Phase I, located at 7521 N. Chestnut Avenue in Fresno, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$7,561,945 in total state tax credits to finance the new construction of 59 units of housing serving families with rents affordable to households earning 20%-80% of area median income (AMI). The project will be developed by Housing Authority of the City of Fresno and will be located in Senate District 8 and Assembly District 23.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the No Place Like Home (NPLH) program of HCD.

**Project Number** CA-22-073

**Project Name** Avalon Commons - Phase I  
Site Address: 7521 N. Chestnut Avenue  
Fresno, CA 93720 County: Fresno  
Census Tract: 55.090

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,500,000	\$7,561,945
Recommended:	\$2,500,000	\$7,561,945

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

**Applicant Information**

Applicant: Silvercrest, Inc.  
Contact: Tyrone Roderick Williams  
Address: 1331 Fulton Street  
Fresno, CA 93721  
Phone: (559) 443-8477  
Email: twilliams@fresnohousing.org

General Partner(s) / Principal Owner(s): Fresno Avalon Commons Phase I AGP, LLC  
Silvercrest, Inc.  
General Partner Type: Joint Venture  
Parent Company(ies): Housing Authority of the City of Fresno, CA  
Silvercrest, Inc.  
Developer: Housing Authority of the City of Fresno  
Investor/Consultant: California Housing Partnership Corporation  
Management Agent(s): GSF Properties

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 5  
Total # of Units: 60  
No. & % of Tax Credit Units: 59 100%  
Federal Set-Aside Elected: 40%/60% Average Income  
Federal Subsidy: HOME / HUD Project-based vouchers: 15 Units (25%)

**Information**

Set-Aside: N/A  
Housing Type: Large Family  
Geographic Area: Central Valley Region  
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 20% AMI:	7	10%
At or Below 30% AMI:	10	15%
At or Below 40% AMI:	9	15%
At or Below 50% AMI:	8	10%
At or Below 60% AMI:	8	12%
At or Below 70% AMI:	9	15%
At or Below 80% AMI:	8	12%

**Unit Mix**

8 1-Bedroom Units
32 2-Bedroom Units
<u>20 3-Bedroom Units</u>
60 Total Units

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
7 1 Bedroom	20%	\$292
1 1 Bedroom	30%	\$438
7 2 Bedrooms	30%	\$526
2 3 Bedrooms	30%	\$607
6 2 Bedrooms	40%	\$702
3 3 Bedrooms	40%	\$810
6 2 Bedrooms	50%	\$877
2 3 Bedrooms	50%	\$1,013
4 2 Bedrooms	60%	\$1,053
4 3 Bedrooms	60%	\$1,215
5 2 Bedrooms	70%	\$1,228
4 3 Bedrooms	70%	\$1,418
4 2 Bedrooms	80%	\$1,404
4 3 Bedrooms	80%	\$1,621
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,319,000
Construction Costs	\$24,881,607
Rehabilitation Costs	\$0
Construction Contingency	\$1,517,754
Relocation	\$0
Architectural/Engineering	\$540,565
Const. Interest, Perm. Financing	\$3,351,761
Legal Fees	\$190,000
Reserves	\$546,167
Other Costs	\$1,609,504
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$37,156,358</b>

**Residential**

Construction Cost Per Square Foot:	\$413
Per Unit Cost:	\$619,273
True Cash Per Unit Cost*:	\$619,273

**Construction Financing**

Source	Amount
US Bank	\$27,681,230
HRFC**	\$1,800,000
City of Fresno - HOME	\$3,000,000
Deferred Costs	\$1,895,767
Deferred Interest	\$142,306
Tax Credit Equity	\$2,637,055

**Permanent Financing**

Source	Amount
US Bank	\$3,396,000
HRFC**	\$1,800,000
HCD - NPLH	\$1,300,000
City of Fresno - HOME	\$3,000,000
Deferred Interest	\$142,306
Tax Credit Equity	\$27,518,052
<b>TOTAL</b>	<b>\$37,156,358</b>

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

\*\*Housing Relinquished Fund Corporation

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$27,777,778
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,778
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$7,561,945
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.86590
State Tax Credit Factor:	\$0.77633

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:	<b>Large Family</b>
Final:	<b>57.967%</b>
CTCAC Final:	<b>57.313%</b>

**Significant Information / Additional Conditions:** None.

**Resyndication and Resyndication Transfer Event:** None.

**Local Reviewing Agency**

The Local Reviewing Agency, City of Fresno, has completed a site review of this project and strongly 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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of public park or community center open to general public	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within ¾ mile of a public elementary school	2	2	2
Within 1 mile of a pharmacy	1	1	1
Highest or High Resources Area	8	8	8
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Lincoln Street Family Apartments, located at the vacant parcel west of Lincoln Boulevard and south of Wyandotte Avenue in Oroville. requested and is being recommended for a reservation of \$2,182,961 in annual federal tax credits to finance the new construction of 60 units of housing serving large families with rents affordable to households earning 30% - 60% of area median income (AMI). The project will be developed by The Richman Group of California Development Company, LLC and will be located in Senate District 4 and Assembly District 3.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-22-077

**Project Name** Lincoln Street Family Apartments  
Site Address: the vacant parcel west of Lincoln Boulevard and south of Wyandotte Avenue  
Oroville, CA 95966 County: Butte  
Census Tract: 6007003002.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,182,961	\$0
Recommended:	\$2,182,961	\$0

**Applicant Information**

Applicant: Richman Oroville Apartments, LP  
Contact: Rick Westberg  
Address: 2727 Newport Boulevard, Suite 203  
Newport Beach, CA 92663  
Phone: 949-612-7293  
Email: westbergr@richmancapital.com

General Partner(s) / Principal Owner(s): Richman Oroville GP, LLC  
Central Valley Coalition for Affordable Housing  
General Partner Type: Joint Venture  
Parent Company(ies): The Richman Group of California Development Company, LLC  
Central Valley Coalition for Affordable Housing  
Developer: The Richman Group of California Development Company, LLC  
Investor/Consultant: The Richman Group Affordable Housing Corporation  
Management Agent(s): Richman Property Services

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 4  
Total # of Units: 61  
No. & % of Tax Credit Units: 60 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: CDBG-DR loan / HUD Section 8 Project-based Vouchers (25 Units / 41%)

**Information**

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

**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:	21	35%
At or Below 60% AMI:	39	65%

**Unit Mix**

31 2-Bedroom Units
30 3-Bedroom Units
<u>61 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
10 2 Bedrooms	30%	\$526
20 2 Bedrooms	60%	\$1,053
11 3 Bedrooms	30%	\$607
19 3 Bedrooms	60%	\$1,215
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,475,000
Construction Costs	\$22,000,000
Rehabilitation Costs	\$0
Construction Contingency	\$1,375,000
Relocation	\$0
Architectural/Engineering	\$1,747,000
Const. Interest, Perm. Financing	\$1,567,000
Legal Fees	\$200,000
Reserves	\$598,497
Other Costs	\$2,819,000
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$33,981,497</b>

**Residential**

Construction Cost Per Square Foot:	\$348
Per Unit Cost:	\$557,074
True Cash Per Unit Cost*:	\$552,156



<b>Construction Financing</b>		<b>Permanent Financing</b>	
Source	Amount	Source	Amount
KeyBank	\$20,398,066	KeyBank	\$5,718,584
City of Oroville-CDBG-DR loan**	\$7,988,820	City of Oroville-CDBG-DR loan**	\$7,988,820
Deferred Operating Deficit	\$398,497	Deferred Developer Fee	\$300,000
Deferred Developer Fee	\$2,200,000	Tax Credit Equity	\$19,974,093
Tax Credit Equity	\$2,996,114	<b>TOTAL</b>	<b>\$33,981,497</b>

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

\*\* Community Development Block Grant-Disaster Recovery

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$24,257,548
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$24,257,548
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,182,961
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	The Richman Group Affordable Housing Corporation
Federal Tax Credit Factor:	\$0.91500

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:	<b>Large Family</b>
Self-Score:	<b>46.014%</b>
CTCAC Final:	<b>46.014%</b>

**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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	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 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ½ mile of a public middle school	3	3	3
Within 1 mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report  
2022 Second Round  
September 28, 2022**

Collier Avenue, located at 6853 Collier Avenue in Nice, requested and is being recommended for a reservation of \$1,695,782 in annual federal tax credits to finance the new construction of 39 units of housing serving special needs tenants (Homeless/Disabilities) with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Rural Communities Housing Development Corporation and will be located in Senate District 2 and Assembly District 4.

The project will be receiving rental assistance in the form of a HCD - No Place Like Home (NPLH) Capital Operative Subsidy Reserve (COSR). The project financing includes state funding from the NPLH program of HCD and Special Needs Housing Program (SNHP) through CalHFA.

**Project Number** CA-22-078

**Project Name** Collier Avenue  
Site Address: 6853 Collier Avenue  
Nice , CA 95464 County: Lake  
Census Tract: 5.020

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,695,782	\$0
Recommended:	\$1,695,782	\$0

**Applicant Information**

Applicant: Rural Communities Housing Development Corporation  
Contact: Ryan LaRue  
Address: 499 Leslie Street  
Ukiah , CA 95482  
Phone: (707) 463-1975  
Email: rlarue@rchdc.org

General Partner(s) / Principal Owner(s): Rural Communities Housing Development Corporation  
General Partner Type: Nonprofit  
Parent Company(ies): Rural Communities Housing Development Corporation  
Developer: Rural Communities Housing Development Corporation  
Investor/Consultant: Community Economics  
Management Agent(s): Rural Communities Housing Development Corporation

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 3  
Total # of Units: 40  
No. & % of Tax Credit Units: 39 100%  
Federal Set-Aside Elected: 40%/60%

**Information**

Set-Aside: Rural  
Housing Type: Special Needs  
Type of Special Needs: Homeless/Disabilities  
Average Targeted Affordability of Special Needs/SRO Project Units: 41.28%  
% of Special Need Units: 30 units 75.00%  
Geographic Area: Rural  
CTCAC Project Analyst: Dylan Hervey

**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:	21	50%
At or Below 50% AMI (Rural):	10	25%
At or Below 60% AMI:	8	20%

**Unit Mix**

29 1-Bedroom Units
10 2-Bedroom Units
1 3-Bedroom Units
<u>40 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
19 1 Bedroom	30%	\$219
1 1 Bedroom	30%	\$438
5 1 Bedroom	50%	\$731
4 1 Bedroom	60%	\$877
1 2 Bedrooms	30%	\$526
5 2 Bedrooms	50%	\$877
4 2 Bedrooms	60%	\$1,053
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,165,000
Construction Costs	\$12,452,180
Construction Contingency	\$1,586,718
Architectural/Engineering	\$750,000
Const. Interest, Perm. Financing	\$1,179,237
Legal Fees	\$110,000
Reserves	\$522,710
Other Costs	\$1,335,321
Developer Fee	\$2,200,000
<b>Total</b>	<b>\$21,301,167</b>

**Residential**

Construction Cost Per Square Foot:	\$388
Per Unit Cost:	\$532,529
True Cash Per Unit Cost*:	\$532,339

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
JP Morgan Chase	\$14,568,034	HCD - NPLH	\$3,447,864
Lake County - PLHA and HHAP	\$1,075,519	Lake County - PLHA and HHAP	\$1,075,519
Special Needs Housing Program	\$976,094	Special Needs Housing Program	\$976,094
Regional Center - DDS	\$500,000	Regional Center - DDS	\$500,000
FHLB - AHP	\$585,000	FHLB - AHP	\$585,000
Tax Credit Equity	\$1,483,810	General Partner Equity	\$1,000
		Deferred developer fee	\$7,594
		Tax Credit Equity	\$14,708,096
		<b>TOTAL</b>	<b>\$21,301,167</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$14,493,867
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$18,842,027
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,695,782
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Community Economics
Federal Tax Credit Factor:	\$0.86733

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**

Self-Score Final: 53.984%  
 CTCAC Final: 53.984%

**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.

**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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	4	4	4
Within 1 mile of public park or community center open to general public	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
In-unit high speed internet service (Rural set-aside only)	3	3	3
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
SPECIAL NEEDS HOUSING TYPE			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
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
Health/behavioral services provided by licensed org. or individual	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**



**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report  
2022 Second Round  
September 28, 2022**

Courtyards at Cottonwood II, located at 24580 Cottonwood Ave in Moreno Valley, requested and is being recommended for a reservation of \$1,049,991 in annual federal tax credits to finance the new construction of 32 units of housing serving large families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Rancho Belago Developers, Inc. and will be located in Senate District 31 and Assembly District 61.

The project will be receiving rental assistance in the form of Project Based Vouchers from the Housing Authority of the County of Riverside (HACR). The project financing includes local funding from the County of Riverside Permanent Local Housing Allocation (PLHA) program.

**Project Number** CA-22-079

**Project Name** Courtyards at Cottonwood II  
**Site Address:** 24580 Cottonwood Ave  
Moreno Valley, CA 92553 County: Riverside  
**Census Tract:** 425.21

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,049,991	\$0
Recommended:	\$1,049,991	\$0

**Applicant Information**

**Applicant:** Courtyards at Cottonwood II, L.P.  
**Contact:** James M. Jernigan  
**Address:** 27700 Kalmia Avenue  
Moreno Valley, CA 92555  
**Phone:** 760-832-2934  
**Email:** jjernigan@ranchobelagodevelopers.com

**General Partner(s) / Principal Owner(s):** RBD Cottonwood, LLC  
KDI Courtyards LLC

**General Partner Type:** Joint Venture

**Parent Company(ies):** Rancho Belago Developers, Inc.  
Kingdom Development, Inc.

**Developer:** Rancho Belago Developers, Inc.

**Investor/Consultant:** CREA, LLC

**Management Agent(s):** AWI Property Management

**Project Information**

**Construction Type:** New Construction

**Total # Residential Buildings:** 2

**Total # of Units:** 32

**No. & % of Tax Credit Units:** 32 100%

**Federal Set-Aside Elected:** 40%/60%

**Federal Subsidy:** HUD/HACR Section 8 Project Based Vouchers (8 units - 25%)

**Information**

Set-Aside: N/A  
Housing Type: Large Family  
Geographic Area: Inland Empire Region  
CTCAC Project Analyst: Dylan Hervey

**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	15%
At or Below 40% AMI:	4	10%
At or Below 45% AMI:	4	10%
At or Below 50% AMI:	7	20%
At or Below 60% AMI:	12	35%

**Unit Mix**

16 2-Bedroom Units
12 3-Bedroom Units
4 4-Bedroom Units
<u>32 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 2 Bedrooms	30%	\$594
2 2 Bedrooms	40%	\$792
2 2 Bedrooms	45%	\$891
4 2 Bedrooms	50%	\$990
6 2 Bedrooms	60%	\$1,188
2 3 Bedrooms	30%	\$686
1 3 Bedrooms	40%	\$915
1 3 Bedrooms	45%	\$1,029
2 3 Bedrooms	50%	\$1,144
6 3 Bedrooms	60%	\$1,373
1 4 Bedrooms	30%	\$765
1 4 Bedrooms	40%	\$1,021
1 4 Bedrooms	45%	\$1,148
1 4 Bedrooms	50%	\$1,276

**Project Cost Summary at Application**

Land and Acquisition	\$230,000
Construction Costs	\$9,661,840
Rehabilitation Costs	\$0
Construction Contingency	\$775,298
Relocation	\$0
Architectural/Engineering	\$1,050,000
Const. Interest, Perm. Financing	\$773,570
Legal Fees	\$300,000
Reserves	\$108,527
Other Costs	\$1,424,610
Developer Fee	\$1,953,167
Commercial Costs	\$0
<b>Total</b>	<b>\$16,277,012</b>

**Residential**

Construction Cost Per Square Foot:	\$246
Per Unit Cost:	\$508,657
True Cash Per Unit Cost*:	\$498,345

**Construction Financing**

Source	Amount
Citibank	\$9,551,386
City of Morena Valley Land Loan	\$230,000
City of Morena Valley Waived Fees	\$379,744
County of Riverside - PLHA*	\$2,700,000
Deferred Costs	\$1,610,080
Tax Credit Equity	\$1,805,802

**Permanent Financing**

Source	Amount
Citibank	\$3,308,271
City of Morena Valley Land Loan	\$230,000
City of Morena Valley Waived Fees	\$379,744
County of Riverside - PLHA*	\$3,000,000
Deferred Developer Fee	\$329,986
Tax Credit Equity	\$9,029,011
<b>TOTAL</b>	<b>\$16,277,012</b>

\*Permanent Local Housing Allocation (PLHA)

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$8,974,281
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$11,666,565
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,049,991
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,953,167
Investor/Consultant:	CREA, LLC
Federal Tax Credit Factor:	\$0.85991

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:	<b>Large Family</b>
Self-Score Final:	<b>50.584%</b>
CTCAC Final:	<b>50.711%</b>

**Significant Information / Additional Conditions**

Staff noted the hard cost contingency, as reflected in the project’s Application Sources & Uses table, exceeds 5% of the project’s total hard construction costs.

When contracting with a California-experienced property management company as described in CTCAC regulation section 10325(c)(1) (A)(ii) and (B)(ii), the general partner and property co-management entity must obtain training in: project operations, on-site certification training in federal fair housing law, and manager certification in IRS Section 42 program requirements from a CTCAC-approved, nationally recognized entity. Additionally, the experienced property management agent or an equally experienced substitute, must remain for a period of at least 3 years from the placed-in-service date (or, for ownership transfers, 3 years from the sale or transfer date) to allow for at least one (1) CTCAC monitoring visit to ensure the project is in compliance with IRC Section 42. Thereafter, the experienced property manager may transfer responsibilities to the remaining general partner or property management firm following formal written approval from CTCAC.

This project is Phase II of Courtyards at Cottonwood, Phase I (CA-20-422). Both phases will be managed by an onsite property manager located in Phase I and share community facilities. Prior to the start of construction, all necessary agreements shall be in place to ensure that Phase II has sufficient property management and access to the required community spaces. The Joint Use Agreement shall be provided in the placed in service submission.

**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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
Negative Points		0	0
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit, service every 30 minutes in rush hours	5	5	5
Within ½ mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of a public middle school	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	1	1	1
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Health & wellness services and programs, minimum 100 hrs per 100 bdrms	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Third Thyme, located at 1435 W. 3rd Street in Los Angeles, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$6,539,538 in total state tax credits to finance the new construction of 102 units of housing serving seniors and special needs tenants with rents affordable to households earning 20%-60% of area median income (AMI). The project will be developed by West Hollywood Community Housing Corporation and will be located in Senate District 51 and Assembly District 24.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-22-081

**Project Name** Third Thyme  
Site Address: 1435 W. 3rd Street  
Los Angeles, CA 90017 County: Los Angeles  
Census Tract: 2083.020

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,500,000	\$6,539,538
Recommended:	\$2,500,000	\$6,539,538

**Applicant Information**

Applicant: Third Thyme, L.P.  
Contact: Jesse Slansky, President & CEO  
Address: 7530 Santa Monica Blvd.  
West Hollywood, CA 90046  
Phone: 323-650-8771  
Email: Jesse@whchc.org

General Partner(s) / Principal Owner(s): Third Thyme, LLC  
General Partner Type: Nonprofit  
Parent Company(ies): WHCHC  
Developer: West Hollywood Community Housing Corporation  
Investor/Consultant: Citibank  
Management Agent(s): Barker Management, Inc.

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 104  
No. & % of Tax Credit Units: 102 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HOME / HUD Section 8 Vouchers (52 - 50%)

**Information**

Set-Aside: Special Needs  
Housing Type: Special Needs Seniors  
Type of Special Needs: Homeless  
Average Targeted Affordability of Special Needs/SRO Project Units: 37.65%  
% of Special Need Units: 51 units 50.00%  
Geographic Area: City of Los Angeles  
CTCAC Project Analyst: Jonghyun(Tommy) Shim

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 20% AMI:	52	50%
At or Below 50% AMI:	20	15%
At or Below 60% AMI:	30	25%

**Unit Mix**

<u>104 1-Bedroom Units</u>
104 Total Units

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
52 1 Bedroom	20%	\$446
20 1 Bedroom	50%	\$1,116
30 1 Bedroom	60%	\$1,340
2 1 Bedroom	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$4,740,000
Construction Costs	\$32,184,210
Rehabilitation Costs	\$0
Construction Contingency	\$3,369,579
Relocation	\$0
Architectural/Engineering	\$1,580,000
Const. Interest, Perm. Financing	\$4,030,395
Legal Fees	\$215,000
Reserves	\$417,930
Other Costs	\$1,943,465
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$50,680,579</b>

**Residential**

Construction Cost Per Square Foot:	\$530
Per Unit Cost:	\$487,313
True Cash Per Unit Cost*:	\$486,266

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citibank	\$33,443,700	Citibank	\$10,340,000
City of LA - HOME & AHTF	\$9,500,000	City of LA - HOME & AHTF	\$9,500,000
LACDA - AHTF	\$3,000,000	LACDA - AHTF	\$3,000,000
Deferred Costs	\$1,963,616	GP Equity	\$100
GP Equity	\$100	Deferred Developer Fee	\$108,849
Tax Credit Equity	\$2,773,163	Tax Credit Equity	\$27,731,630
		<b>TOTAL</b>	<b>\$50,680,579</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$33,966,253
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$44,156,129
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$6,539,538
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Citibank
Federal Tax Credit Factor:	\$0.90000
State Tax Credit Factor:	\$0.80000

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**

Initial:	<b>Letter of Support (Only if FUNDED in the City of LA or SF)</b>
First:	<b>Special Needs</b>
Self-Score Final:	<b>63.734%</b>
CTCAC Final:	<b>63.734%</b>

**Significant Information / Additional Conditions:**

Staff noted that 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, Los Angeles Housing Development, has completed a site review of this project and strongly 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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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 1 mile of public library	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within ½ mile of medical clinic or hospital	3	3	3
Within 1 mile of a pharmacy	1	1	1
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Health & wellness services and programs, minimum 100 hrs per 100 bdrms	5	5	5
<b>SPECIAL NEEDS HOUSING TYPE</b>			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Health/behavioral services provided by licensed org. or individual	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Enhanced Accessibility and Visitability	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Alvarado Gardens, located at 13831 San Pablo Ave in San Pablo, requested and is being recommended for a reservation of \$2,322,578 in annual federal tax credits to finance the new construction of 49 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Danco Communities and will be located in Senate District 9 and Assembly District 15.

**Project Number** CA-22-082

**Project Name** Alvarado Gardens  
**Site Address:** 13831 San Pablo Ave  
San Pablo , CA 94806 County: Contra Costa  
**Census Tract:** 3690.010

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,322,578	\$0
Recommended:	\$2,322,578	\$0

**Applicant Information**

**Applicant:** San Pablo Chruch Lane LP  
**Contact:** Chris Dart  
**Address:** 5251 Ericson Way  
Arcata, CA 95521  
**Phone:** (707)822-9000  
**Email:** cdart@danco-group.com

**General Partner(s) / Principal Owner(s):** Johnson & Johnson Investments, LLC  
San Pablo Economic Development Corporation  
Danco Communities

**General Partner Type:** Joint Venture  
**Parent Company(ies):** Danco Communities  
Johnson & Johnson Investments, LLC  
Danco Communities

**Developer:** Danco Communities  
**Investor/Consultant:** Redstone Capital  
**Management Agent(s):** Danco Property Management

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 1  
**Total # of Units:** 50  
**No. & % of Tax Credit Units:** 49 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** N/A

**Information**

Set-Aside: N/A  
Housing Type: Large Family  
Geographic Area: East Bay Region  
CTCAC Project Analyst: Nick White

**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:	10	20%
At or Below 50% AMI:	15	30%
At or Below 60% AMI:	19	38%

**Unit Mix**

23 1-Bedroom Units
13 2-Bedroom Units
14 3-Bedroom Units
<u>50 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 1 Bedroom	30%	\$803
4 1 Bedroom	40%	\$1,071
7 1 Bedroom	50%	\$1,339
11 1 Bedroom	60%	\$1,607
2 2 Bedrooms	30%	\$964
3 2 Bedrooms	40%	\$1,286
4 2 Bedrooms	50%	\$1,607
4 2 Bedrooms	60%	\$1,929
2 3 Bedrooms	30%	\$1,114
3 3 Bedrooms	40%	\$1,485
4 3 Bedrooms	50%	\$1,856
4 3 Bedrooms	60%	\$2,228
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,220,000
Construction Costs	\$16,978,624
Rehabilitation Costs	\$0
Construction Contingency	\$1,844,150
Relocation	\$0
Architectural/Engineering	\$1,088,202
Const. Interest, Perm. Financing	\$954,967
Legal Fees	\$115,000
Reserves	\$231,017
Other Costs	\$1,571,709
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$28,203,669</b>

**Residential**

Construction Cost Per Square Foot:	\$378
Per Unit Cost:	\$564,073
True Cash Per Unit Cost*:	\$564,073

**Construction Financing**

<u>Source</u>	<u>Amount</u>
Pacific Western Bank Construction Loan	\$18,564,751
City of San Pablo	\$1,000,000
Deferred Developer Fee	\$2
Tax Credit Equity	\$8,638,916

**Permanent Financing**

<u>Source</u>	<u>Amount</u>
Pacific Western Bank	\$6,795,995
City of San Pablo	\$1,000,000
Solar Tax Credit Equity	\$201,243
Deferred Developer Fee	\$2
Tax Credit Equity	\$20,206,429
<b>TOTAL</b>	<b>\$28,203,669</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$19,851,095
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$25,806,424
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,322,578
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Redstone Capital
Federal Tax Credit Factor:	\$0.87000

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:	<b>Large Family</b>
Self Score	<b>18.353%</b>
Final:	<b>18.353%</b>

**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 CA-22-082 must be completed as part of the placed in service package.

Staff noted the hard cost contingency, as reflected in the project's Application Sources & Uses table, exceeds 5% of the project's total hard construction costs.

**Resyndication and Resyndication Transfer Event:** None

**Local Reviewing Agency**

The Local Reviewing Agency, City of San Pablo, has completed a site review of this project and strongly 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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ¼ mile of transit, service every 30 minutes in rush hours	6	6	6
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 a public middle school	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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 bdms	3	3	3
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	0
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Estrella, located at 604 W. Richmar Avenue in San Marcos, requested and is being recommended for a reservation of \$2,354,865 in annual federal tax credits to finance the new construction of 94 units of housing serving families with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by Affirmed Housing Group, Inc and will be located in Senate District 38 and Assembly District 75.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-22-089

**Project Name** Estrella  
Site Address: 604 W. Richmar Avenue  
San Marcos, CA 92069 County: San Diego  
Census Tract: 200.210

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,354,865	\$0
Recommended:	\$2,354,865	\$0

**Applicant Information**

Applicant: San Marcos Family Housing, L.P.  
Contact: Esther Barron  
Address: 13520 Evening Creek Dr. North, Suite 160  
San Diego, CA 92128  
Phone: (858) 679-2828  
Email: esther@affirmedhousing.com

General Partner(s) / Principal Owner(s): AHG Estrella, LLC  
CFAH Housing, LLC

General Partner Type: Joint Venture

Parent Company(ies): Affirmed Housing  
Compass for Affordable Housing

Developer: Affirmed Housing Group, Inc

Investor/Consultant: WNC

Management Agent(s): Solari Enterprises, Inc.

**Project Information**

Construction Type: New Construction

Total # Residential Buildings: 4

Total # of Units: 96

No. & % of Tax Credit Units: 94 100%

Federal Set-Aside Elected: 40%/60% Average Income

Federal Subsidy: HOME / HUD Section 8 Project-based Vouchers (24 Units - 25%)



**Information**

Set-Aside: N/A  
Housing Type: Large Family  
Geographic Area: San Diego County  
CTCAC Project Analyst: Jonghyun(Tommy) Shim

**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:	25	25%
At or Below 40% AMI:	10	10%
At or Below 50% AMI:	14	10%
At or Below 80% AMI:	45	45%

**Unit Mix**

46 1-Bedroom Units
24 2-Bedroom Units
<u>26 3-Bedroom Units</u>
96 Total Units

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
11 1 Bedroom	30%	\$732
6 1 Bedroom	40%	\$976
3 1 Bedroom	50%	\$1,220
7 1 Bedroom	50%	\$1,220
19 1 Bedroom	80%	\$1,952
6 2 Bedrooms	30%	\$878
1 2 Bedrooms	40%	\$1,171
17 2 Bedrooms	80%	\$2,342
7 3 Bedrooms	30%	\$1,015
3 3 Bedrooms	40%	\$1,353
4 3 Bedrooms	50%	\$1,691
1 3 Bedrooms	30%	\$1,015
9 3 Bedrooms	80%	\$2,707
2 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$6,016,278
Construction Costs	\$28,800,000
Rehabilitation Costs	\$0
Construction Contingency	\$2,391,572
Relocation	\$3,445,000
Architectural/Engineering	\$1,519,594
Const. Interest, Perm. Financing	\$2,251,000
Legal Fees	\$320,000
Reserves	\$488,000
Other Costs	\$3,475,847
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$50,907,291</b>

**Residential**

Construction Cost Per Square Foot:	\$372
Per Unit Cost:	\$530,284
True Cash Per Unit Cost*:	\$530,284

**Construction Financing**

Source	Amount
JPMorgan Chase Bank, N.A.	\$31,256,316
City of San Marcos - Roll Over	\$2,580,000
Accrued Interest	\$2,746,572
City of San Marcos - Predevelopment	\$550,000
City of San Marcos	\$7,000,000
Tax Credit Equity	\$6,774,403

**Permanent Financing**

Source	Amount
JPMorgan Chase Bank, N.A.	\$14,872,110
City of San Marcos - Roll Over	\$2,580,000
Accrued Interest	\$2,746,572
City of San Marcos - Predevelopment	\$550,000
City of San Marcos	\$7,000,000
County of San Diego - HOME	\$2,643,026
Tax Credit Equity	\$20,515,583
<b>TOTAL</b>	<b>\$50,907,291</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$26,165,166
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$26,165,166
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,354,865
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	WNC
Federal Tax Credit Factor:	\$0.87120

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**

Self-Score Final:	74.218%
CTCAC Final:	67.984%

**Significant Information / Additional Conditions**

This project is an existing tax credit project, Mariposa Apartments (CA-97-954) with a total of 70 units that is divided into two separate parcels. Estrella (phase II) will demolish the remaining 30 existing units, 40 units have already been demolished in Phase I (Alora CA-20-186). Once the last 30 units are demolished in Phase II (Estrella), 96 new units will be constructed resulting in a net gain of 66 new affordable units.

At the time of Estrella construction closing, there will be termination of the existing CTCAC regulatory agreement (CA-97-954) as the remaining of 30 units and 4 buildings being demolished. When Estrella (Phrase II) is placed in service, a CTCAC regulatory agreement will be terminated. There will be no grandfathering of tenants relocated from Mariposa Apartments, as CA-22-089 is a separate new construction project. If existing tenants return to the newly constructed Alora, they must be income qualified at the time of their return.

This project involves an existing tax credit project (CA-97-954) that is being demolished. It is divided into Phase I (Alora CA-20-186), and Phase II (Estrella CA-22-089). This project is occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from setting aside a Short Term Work Capitalized Replacement Reserve that is otherwise required.

The applicant has requested the use of a CUAC utility allowance. TCAC staff is in the process of reviewing the CUAC documentation for this project. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

Staff noted that 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, City of San Marcos, has completed a site review of this project and strongly 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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
Negative Points		0	0
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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 1 mile of public library	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within ½ mile of a public middle school	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
Highest or High Resources Area	8	8	8
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Barnard Park Villas, located at 3356 Barnard Way in Santa Monica, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the acquisition & rehabilitation of 60 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Thomas Safran & Associates, Development Inc. and is located in Senate District 26 and Assembly District 50.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Contract.

**Project Number** CA-22-090

**Project Name** Barnard Park Villas  
Site Address: 3356 Barnard Way  
Santa Monica, CA 90405 County: Los Angeles  
Census Tract: 7021.020

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

**Applicant Information**

Applicant: Barnard Park Housing LP  
Contact: Anthony Yannatta  
Address: 11811 San Vicente Boulevard  
Los Angeles, CA 90405  
Phone: 310-820-4888  
Email: anthony@tsahousing.com

General Partner(s) / Principal Owner(s): Barnard Park Housing LLC  
Housing Corporation of America  
General Partner Type: Joint Venture  
Parent Company(ies): Thomas Safran & Associates, Inc.  
Developer: Thomas Safran & Associates, Development Inc.  
Investor/Consultant: National Equity Fund  
Management Agent(s): Thomas Safran & Associates Inc.

**Project Information**

Construction Type: Acquisition & Rehabilitation  
Total # Residential Buildings: 1  
Total # of Units: 61  
No. & % of Tax Credit Units: 60 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HUD Section 8 Projec-based Contract (60 Units - 100%)

**Information**

Set-Aside: At-Risk  
Housing Type: At-Risk  
Geographic Area: Balance of Los Angeles County  
CTCAC Project Analyst: Sopida Steinwert

**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:	6	10%
At or Below 40% AMI:	6	10%
At or Below 45% AMI:	6	10%
At or Below 50% AMI:	24	40%
At or Below 60% AMI:	18	30%

**Unit Mix**

60 1-Bedroom Units
<u>1 2-Bedroom Units</u>
61 Total Units

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 1 Bedroom	30%	\$670
1 1 Bedroom	30%	\$670
5 1 Bedroom	40%	\$893
1 1 Bedroom	40%	\$893
6 1 Bedroom	45%	\$1,005
23 1 Bedroom	50%	\$1,116
1 1 Bedroom	50%	\$1,116
18 1 Bedroom	60%	\$1,340
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$50,700,000
Construction Costs	\$0
Rehabilitation Costs	\$9,522,040
Construction Contingency	\$2,121,031
Relocation	\$0
Architectural/Engineering	\$370,000
Const. Interest, Perm. Financing	\$3,016,542
Legal Fees	\$220,346
Reserves	\$1,521,369
Other Costs	\$856,599
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$70,527,927</b>

## Residential

Construction Cost Per Square Foot:	\$168
Per Unit Cost:	\$1,156,196
True Cash Per Unit Cost*:	\$849,638

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
PNC Bank, Tranche A	\$12,274,710	PNC Bank, Tranche A	\$12,274,710
PNC Bank, Tranche B	\$14,970,990	PNC Bank, Tranche B	\$14,970,990
Donated Land	\$18,700,000	Donated Land	\$18,700,000
Net Operating Income	\$2,053,942	Net Operating Income	\$2,053,942
Deferred Developer Fee	\$2,200,000	Tax Credit Equity	\$22,528,285
Tax Credit Equity	\$20,328,285	<b>TOTAL</b>	<b>\$70,527,927</b>

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

### Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$14,958,783
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$18,745,562
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$19,446,418
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$18,745,562
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,750,178
Maximum Annual Federal Credit, Acquisition:	\$749,822
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	National Equity Fund
Federal Tax Credit Factor:	\$0.90113

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible

### Tie-Breaker Information

First:	<b>At-Risk</b>
Self-Score Final:	<b>73.847%</b>
CTCAC Final:	<b>73.847%</b>

### 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.

## **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.



<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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 ½ mile of a weekly farmers' market operating at least 5 months/year	2	2	2
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Anderson Hotel Apartments, located at 955 Monterey Street in San Luis Obispo, the applicant requested and is being recommend for a reservation of \$2,500,000 in annual federal credits and the applicant requested \$9,750,424 in state credits, but is being recommended for a reservation of \$7,962,953 in total state tax credits to finance the acquisition and rehabilitation of 66 units of housing serving special needs (including homeless) tenants with rents affordable to households earning 30%-40% of area median income (AMI). The project will be developed by San Luis Obispo Nonprofit Housing Corporation and is located in Senate District 17 and Assembly District 35.

The project will be receiving rental assistance in the form of HCD Section 8 Project-based Vouchers.

The project financing includes state funding from the No Place Like Home (NPLH) of HCD.

**Project Number** CA-22-092

**Project Name** Anderson Hotel Apartments  
**Site Address:** 955 Monterey Street  
San Luis Obispo, CA 93401 County: San Luis Obispo  
**Census Tract:** 111.010

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,500,000	\$9,750,424
Recommended:	\$2,500,000	\$7,962,953

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

**Applicant Information**

**Applicant:** San Luis Obispo Nonprofit Housing Corporation  
**Contact:** Ken Litzinger  
**Address:** 487 Leff Street  
San Luis Obispo, CA 93401  
**Phone:** 805-594-5304  
**Email:** klitzinger@haslo.org

**General Partner(s) / Principal Owner(s):** San Luis Obispo Nonprofit Housing Corporation  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** San Luis Obispo Nonprofit Housing Corporation  
**Developer:** San Luis Obispo Nonprofit Housing Corporation  
**Investor/Consultant:** California Housing Partnership  
**Management Agent(s):** Housing Authority San Luis Obispo

**Project Information**

**Construction Type:** Acquisition & Rehabilitation  
**Total # Residential Buildings:** 1  
**Total # of Units:** 68  
**No. & % of Tax Credit Units:** 66 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** HUD Section 8 Project-based Contract (66 Units-100%)

**Information**

Set-Aside: At-Risk  
Housing Type: Special Needs  
Type of Special Needs: Homeless, At Risk  
Average Targeted Affordability of SN/SRO Project Units: 38.94%  
% of Special Need Units: 50 units 75.00%  
Geographic Area: Central Coast Region  
CTCAC Project Analyst: Cynthia Compton

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percent of Required Affordable Units</b>
At or Below 30% AMI:	7	10%
At or Below 40% AMI:	59	80%

**Unit Mix**

24 SRO/Studio Units
44 1-Bedroom Units
<b>68 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2022 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
2 SRO/Studio	30%	\$574
5 1 Bedroom	30%	\$615
22 SRO/Studio	40%	\$766
11 1 Bedroom	40%	\$821
26 1 Bedroom	40%	\$821
2 1 Bedroom	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$14,779,246
Construction Costs	\$0
Rehabilitation Costs	\$21,981,739
Construction Contingency	\$2,598,528
Relocation	\$3,196,320
Architectural/Engineering	\$1,233,627
Const. Interest, Perm. Financing	\$2,211,413
Legal Fees	\$106,113
Reserves	\$624,525
Other Costs	\$445,685
Developer Fee	\$2,200,000
Commercial Costs	\$1,377,925
<b>Total</b>	<b>\$50,755,121</b>

**Residential**

Construction Cost Per Square Foot:	\$358
Per Unit Cost:	\$726,135
True Cash Per Unit Cost*:	\$726,135

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Source	Amount	Source	Amount
Pacific Western Bank	\$29,678,188	Pacific Western Bank	\$4,811,000
**HASLO Public Funds	\$13,600,000	**HASLO Public Funds	\$13,600,000
County of San Luis Obispo	\$1,900,000	County of San Luis Obispo	\$2,000,000
City of San Luis Obispo	\$1,700,000	City of San Luis Obispo	\$1,700,000
Deferred Costs	\$2,138,181	Tax Equity Credit	\$28,644,121
Tax Credit Equity	\$2,801,985	<b>TOTAL</b>	<b>\$50,755,121</b>

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

\*\* Housing Authority of San Luis Obispo

**Determination of Credit Amount(s)**

Requested Eligible Basis (Rehabilitation):	\$29,757,336
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$5,386,864
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$38,684,537
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$5,386,864
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$2,500,000
Maximum Annual Federal Credit, Acquisition:	\$215,475
Total Maximum Annual Federal Credit:	\$2,715,475
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.87241
State Tax Credit Factor:	\$0.80992

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:	<b>Special Needs</b>
Self-Score Final	<b>62.738%</b>
CTCAC Final:	<b>62.738%</b>

**Significant Information / Additional Conditions:**

The applicant should be using the lesser of the sale price or appraised value in the budget, so CTCAC staff reduced the residential commercial acquisition costs by \$1,063,233 with the cost savings prorated between residential and commercial land and improvements. As a result, the amount of recommended state credits was reduced from \$9,750,424 to \$8,437,660.

**Resyndication and Resyndication Transfer Event:** None.

### **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

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	4	4	4
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 ½ mile of a neighborhood market of at least 5,000 sf	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
SPECIAL NEEDS HOUSING TYPE			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

First Street North B Apartments, located at 150 Judge John Aiso Street in Los Angeles, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$11,827,842 in total state tax credits to finance the new construction of 66 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by LTSC Community Development Corporation and will be located in Senate District 24 and Assembly District 53.

The project financing includes state funding from the Infill Infrastructure Grant (IIG) and Veterans Housing and Homelessness Prevention (VHHP) program(s) of HCD.

**Project Number** CA-22-094

**Project Name** First Street North B Apartments  
**Site Address:** 150 Judge John Aiso Street  
Los Angeles, CA 90012 County: Los Angeles  
**Census Tract:** 2062

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,500,000	\$11,827,842
Recommended:	\$2,500,000	\$11,827,842

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

**Applicant Information**

**Applicant:** LTSC Community Development Corporation  
**Contact:** Erich Nakano  
**Address:** 231 E. Third St., Suite G106  
Los Angeles, CA 90013  
**Phone:** 213-473-1685  
**Email:** ENakano@ltsc.org

**General Partner(s) / Principal Owner(s):** FSN B Apartments, LLC  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** LTSC Community Development Corporation  
**Developer:** LTSC Community Development Corporation  
**Investor/Consultant:** California Housing Partnership Corporation  
**Management Agent(s):** Levine Management Group Inc.

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 1  
**Total # of Units:** 67  
**No. & % of Tax Credit Units:** 66 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** N/A

**Information**

Set-Aside: N/A  
Housing Type: Large Family  
Geographic Area: City of Los Angeles  
CTCAC Project Analyst: Sarah Gullikson

**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:	14	20%
At or Below 50% AMI:	41	40%
At or Below 60% AMI:	11	15%

**Unit Mix**

17 SRO/Studio Units
15 1-Bedroom Units
17 2-Bedroom Units
18 3-Bedroom Units
<u>67 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 SRO/Studio	30%	\$625
4 1 Bedroom	30%	\$670
3 2 Bedrooms	30%	\$804
2 3 Bedrooms	30%	\$929
9 SRO/Studio	50%	\$1,042
8 1 Bedroom	50%	\$1,116
9 2 Bedrooms	50%	\$1,340
15 3 Bedrooms	50%	\$1,548
3 SRO/Studio	60%	\$1,251
3 1 Bedroom	60%	\$1,340
5 2 Bedrooms	60%	\$1,608
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$129,802
Construction Costs	\$28,840,659
Rehabilitation Costs	\$0
Construction Contingency	\$3,043,776
Relocation	\$0
Architectural/Engineering	\$1,361,043
Const. Interest, Perm. Financing	\$5,016,753
Legal Fees	\$185,454
Reserves	\$328,188
Other Costs	\$1,455,765
Developer Fee	\$2,200,000
Commercial Costs	\$7,959,583
<b>Total</b>	<b>\$50,521,023</b>



## Residential

Construction Cost Per Square Foot:	\$360
Per Unit Cost:	\$629,778
True Cash Per Unit Cost*:	\$629,778

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
US Bank	\$37,721,400	US Bank	\$2,361,000
HCD IIG	\$1,627,054	Genesis LA: Commercial	\$4,367,000
LAHD AHMP**	\$6,805,200	HCD IIG	\$1,627,054
Deferred Costs	\$1,265,658	HCD VHHP	\$2,723,660
Tax Credit Equity	\$3,101,711	LAHD AHMP**	\$6,805,200
		Tax Credit Equity	\$32,637,109
		<b>TOTAL</b>	<b>\$50,521,023</b>

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

\*\*Los Angeles Housing Development Affordable Housing Managed Pipeline

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$39,426,140
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$39,426,140
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$11,827,842
Approved Developer Fee in Project Cost:	\$2,200,000
Approved Developer Fee in Eligible Basis:	\$1,833,689
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.91280
State Tax Credit Factor:	\$0.83000

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

Initial:	<b>Letter of Support</b>
First:	<b>Large Family</b>
Final:	<b>27.129%</b>

### 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 CA-22-094 must be completed as part of the Readiness to Proceed 180/194-Day package.

Staff noted the hard cost contingency, as reflected in the project’s Application Sources & Uses table, exceeds 5% of the project’s total hard construction costs.

**Resyndication and Resyndication Transfer Event:** None.

**Local Reviewing Agency**

The Local Reviewing Agency, Los Angeles Housing Development, has completed a site review of this project and strongly 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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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 ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Other Services Specialist, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**September 28, 2022**

Cypress & 7th, located at 1401 East Cypress Avenue in Lompoc, requested and is being recommended for a reservation of \$558,451 in annual federal tax credits to finance the new construction of 14 units of housing serving special needs tenants with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by Surf Development Company and will be located in Senate District 19 and Assembly District 34.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the No Place Like Home (NPLH), Multifamily Housing Program (MHP) of HCD.

**Project Number** CA-22-096

**Project Name** Cypress & 7th  
**Site Address:** 1401 East Cypress Avenue  
Lompoc, CA 93436 County: Santa Barbara  
**Census Tract:** 27.080

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$558,451	\$0
Recommended:	\$558,451	\$0

**Applicant Information**

**Applicant:** Cypress & 7th, L.P.  
**Contact:** Robert P. Havlicek Jr  
**Address:** 815 West Ocean Avenue  
Lompoc, CA 93436  
**Phone:** (805) 736-3423  
**Email:** bobhavlicek@hasbarco.org

**General Partner(s) / Principal Owner(s):** Surf Development Company  
**General Partner Type:** For Profit  
**Parent Company(ies):** Surf Development Company  
**Developer:** Surf Development Company  
**Investor/Consultant:** RedStone Equity Partners  
**Management Agent(s):** Housing Authority of the County of Santa Barbara

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 2  
**Total # of Units:** 15  
**No. & % of Tax Credit Units:** 14 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** None

**Information**

Set-Aside: Nonprofit (homeless assistance)  
Housing Type: Special Needs  
Type of Special Needs: Homeless/formerly homeless  
Average Targeted Affordability of Special Needs/SRO Project Units: 40.00%  
% of Special Need Units: 14 units 100.00%  
Geographic Area: Central Coast Region  
CTCAC Project Analyst: Nick White

**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:	2	10%
At or Below 40% AMI:	10	70%
At or Below 50% AMI:	2	10%

**Unit Mix**

<u>15 1-Bedroom Units</u>
15 Total Units

<u>Unit Type &amp; Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 1 Bedroom	30%	\$786
10 1 Bedroom	40%	\$1,048
2 1 Bedroom	50%	\$1,310
1 1 Bedroom	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$600,000
Construction Costs	\$6,456,172
Rehabilitation Costs	\$0
Construction Contingency	\$422,809
Relocation	\$0
Architectural/Engineering	\$425,000
Const. Interest, Perm. Financing	\$544,000
Legal Fees	\$110,000
Reserves	\$224,405
Other Costs	\$692,748
Developer Fee	\$1,257,846
Commercial Costs	\$0
<b>Total</b>	<b>\$10,732,980</b>

**Residential**

Construction Cost Per Square Foot:	\$570
Per Unit Cost:	\$715,532
True Cash Per Unit Cost*:	\$715,325

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Pacific Western Bank	\$9,051,737	Pacific Western Bank	\$1,850,000
Deferred Developer Fee	\$944,161	RedStone Equity Partners	\$67,812
Tax Credit Equity	\$737,082	HCD - NPLH	\$632,696
		HCD - MHP	\$3,265,490
		Deferred Developer Fee	\$3,105
		Tax Credit Equity	\$4,913,877
		<b>TOTAL</b>	<b>\$10,732,980</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$6,205,007
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$6,205,007
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$558,451
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,257,846
Investor/Consultant:	RedStone Equity Partners
Federal Tax Credit Factor:	\$0.87991

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:	<b>Special Needs</b>
Self Score:	<b>72.185%</b>
Final:	<b>72.185%</b>

**Significant Information / Additional Conditions:**

Staff noted the hard cost contingency, as reflected in the project’s Application Sources & Uses table, exceeds 5% 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.

**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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	4	4	4
Within ½ mile of public park or community center open to general public	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Special Needs project within ½ mile of facility serving tenant population	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**





California Tax Credit Allocation Committee

# **AGENDA ITEM 6**

## **Public Comment**



California Tax Credit Allocation Committee

## **AGENDA ITEM 7**

### **Adjournment**