CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

Marple Manor, located at 530 Coffee Road in Modesto, requested and is being recommended for a reservation of $1,855,174 in annual federal tax credits to finance the acquisition & rehabilitation of 145 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Retirement Housing Foundatoin and is located in Senate District 5 and Assembly District 21.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number	CA-22-556	
Project Name	Marple Manor	
Site Address:	530 Coffee Road	
	Modesto, CA 95355	County: Stanislaus
Census Tract:	10.02	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,855,174	$0
Recommended:	$1,855,174	$0

Applicant Information

Applicant:	Marple Manor RHF Partners, LP
Contact:	Kevin Gilchrist
Address:	911 N. Studebaker Road
	Long Beach, CA 90815
Phone:	562-257-5100
Email:	kevin.gilchrist@rhf.org

General Partner(s) or Principal Owner(s):	Marple Manor RHF Housing, LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Retirement Housing Foundation
Developer:	Retirement Housing Foundatoin
Bond Issuer:	CMFA
Investor/Consultant:	NAHT
Management Agent:	Foundation Property Management

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	2
Total # of Units:	146
No. / % of Low Income Units:	145 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (145 Units - 100%)

Information

Housing Type:	Seniors
Geographic Area:	Central Valley Region
CTCAC Project Analyst:	Nick White

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	15	10%
50% AMI:	15	10%
60% AMI:	115	79%

Unit Mix

146 1-Bedroom Units

146 Total Units

Unit Type & Number		2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
2	1 Bedroom	30%	$448
2	1 Bedroom	50%	$747
12	1 Bedroom	60%	$897
13	1 Bedroom	30%	$448
13	1 Bedroom	50%	$747
103	1 Bedroom	60%	$897
1	1 Bedroom	Manager’s Unit	$0

Project Cost Summary at Application

Land and Acquisition	$20,100,000
Construction Costs	$0
Rehabilitation Costs	$13,216,095
Construction Hard Cost Contingency	$1,321,610
Soft Cost Contingency	$250,000
Relocation	$1,648,348
Architectural/Engineering	$495,000
Const. Interest, Perm. Financing	$2,244,046
Legal Fees	$405,000
Reserves	$1,162,841
Other Costs	$605,002
Developer Fee	$3,420,000
Commercial Costs	$0
Total	**$44,867,942**

Residential

Construction Cost Per Square Foot:	$114
Per Unit Cost:	$307,315
True Cash Per Unit Cost*:	$240,215

Construction Financing

Source	Amount
Key Bank	$21,853,596
Seller Note	$17,500,000
Reserves	$119,466
Deferred Operating Reserve	$1,101,291
General Partner Equity	$1,744
Developer Fee	$3,420,000
Tax Credit Equity	$871,845

Permanent Financing

Source	Amount
Key Bank	$17,513,343
Seller Note	$9,796,497
Replacement Reserve	$119,466
Tax Credit Equity	$17,438,636
TOTAL	**$44,867,942**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$19,792,741
130% High Cost Adjustment:	Yes
Requested Eligible Basis:	$20,648,782
Applicable Fraction:	100.00%
Qualified Basis (Acquisition):	$20,648,782
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$1,029,223
Maximum Annual Federal Credit, Acquisition:	$825,951
Total Maximum Annual Federal Credit:	$1,855,174
Approved Developer Fee (in Project Cost & Eligible Basis	$3,420,000
Investor/Consultant:	NAHT
Federal Tax Credit Factor:	$0.94000

Except as allowed for projects basing cost on assumed third party debt, the "as if vacant" land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee's next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

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 reservation 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.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.