

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2022 Second Round**

**December 28, 2022**

River Grove I, located at 49177 Road 426 in Oakhurst, requested and is being recommended for a reservation of \$2,382,228 in annual federal tax credits and \$3,569,263 in total state tax credits to finance the new construction of 69 units of housing serving families with rents affordable to households earning 20%-60% of area median income (AMI). The project will be developed by Self-Help Enterprises and will be located in Senate District 8 and Assembly District 5.

The project will be receiving rental assistance in the form of HCD No Place Like Home (NPLH) COSR. The project financing includes state funding from the No Place Like Home (NPLH) and Permanent Local Housing Allocation (PLHA) programs of HCD.

**Project Number** CA-22-065

**Project Name** River Grove I  
Site Address: 49177 Road 426  
Oakhurst, CA 93644  
County: Madera  
Census Tract: 104

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,382,228	\$3,569,263
Recommended:	\$2,382,228	\$3,569,263

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

**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): River Grove LLC  
General Partner Type: For Profit  
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: 7  
 Total # of Units: 70  
 No. & % of Tax Credit Units: 69 100%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: None

**Information**

Set-Aside: Rural  
 Housing Type: Large Family  
 Geographic Area: N/A  
 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 20% AMI:	8	10%
At or Below 30% AMI:	14	20%
At or Below 40% AMI:	8	10%
At or Below 50% AMI:	9	10%
At or Below 60% AMI:	30	40%

**Unit Mix**

28 1-Bedroom Units
21 2-Bedroom Units
21 3-Bedroom Units
<b>70 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2022 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
8 1 Bedroom	20%	\$292
8 1 Bedroom	30%	\$439
3 2 Bedrooms	30%	\$526
3 3 Bedrooms	30%	\$608
2 1 Bedroom	40%	\$585
6 3 Bedrooms	40%	\$811
3 1 Bedroom	50%	\$731
6 3 Bedrooms	50%	\$1,013
7 1 Bedroom	60%	\$877
17 2 Bedrooms	60%	\$1,052
6 3 Bedrooms	60%	\$1,216
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,729,359
Construction Costs	\$18,792,500
Rehabilitation Costs	\$0
Construction Contingency	\$1,274,787
Relocation	\$0
Architectural/Engineering	\$1,030,000
Const. Interest, Perm. Financing	\$2,160,888
Legal Fees	\$153,509
Reserves	\$3,602,005
Other Costs	\$1,319,728
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$32,262,776</b>

**Residential**

Construction Cost Per Square Foot:	\$291
Per Unit Cost:	\$460,897
True Cash Per Unit Cost*:	\$460,897

**Construction Financing**

Source	Amount
US Bank	\$25,226,477
Costs Deferred to Conversion	\$5,505,705
Tax Credit Equity	\$1,530,594

**Permanent Financing**

Source	Amount
US Bank	\$1,147,000
HCD - NPLH	\$4,243,050
HCD - NPLH COSR	\$3,187,642
Madera County - PLHA	\$703,051
Tax Credit Equity	\$22,982,033
<b>TOTAL</b>	<b>\$32,262,776</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$26,469,195
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$26,469,195
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,382,228
Total State Credit:	\$3,569,263
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.84487
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>Large Family</b>
Self-Score Final:	<b>35.900%</b>
CTCAC Final:	<b>35.900%</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	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 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>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. 84 hrs/yr instruction	7	7	7
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.**