

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**Tax-Exempt Bond Project**

**May 10, 2023**

The project, 219-221 5th Street, located at 219-221 5th Street in West Sacramento, requested and is being recommended for a reservation of \$519,380 in annual federal tax credits and \$2,828,686 in total state tax credits to finance the new construction of 17 units of housing serving tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Brinshore Development L.L.C. 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. The project financing includes state funding from the Infill Infrastructure Grant (IIG) program of HCD.

**Project Number** CA-23-489

**Project Name** 219-221 5th Street  
**Site Address:** 219-221 5th Street  
West Sacramento, CA 95605  
**County:** Yolo  
**Census Tract:** 6113010101 (101.01)

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$519,380	\$2,828,686
Recommended:	\$519,380	\$2,828,686

\* The applicant made an election not to sell (Certificate) any portion of the state credits.

**Applicant Information**

**Applicant:** Brinshore Development L.L.C.  
**Contact:** Whitney Weller  
**Address:** 1603 Orrington Avenue  
Evanston, IL 60201  
**Phone:** 312.505.0108  
**Email:** whitneyw@brinshore.com

**General Partner(s) or Principal Owner(s):** Brinshore Development L.L.C.  
Raise the Barr

**General Partner Type:** Joint Venture  
**Parent Company(ies):** Brinshore Development L.L.C.  
Raise the Barr

**Developer:** Brinshore Development L.L.C.  
**Bond Issuer:** California Municipal Finance Authority  
**Investor/Consultant:** R4 Capital  
**Management Agent:** FPI Management, Inc.  
Raise the Barr

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 1  
**Total # of Units:** 18  
**No. / % of Low Income Units:** 17 100.00%  
**Federal Set-Aside Elected:** 20%/50%  
**Federal Subsidy:** Tax-Exempt / HUD Section 8 Project-based Vouchers (17 Units - 94%)

**Information**

Housing Type: Non-Targeted  
 Geographic Area: Capital Region  
 CTCAC Project Analyst: Chris Saenz

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	17	100%

**Unit Mix**

1 1-Bedroom Units
17 2-Bedroom Units
<b>18 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 2 Bedrooms	30%	\$669
9 2 Bedrooms	30%	\$669
1 1 Bedroom	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$915,995
Construction Costs	\$6,440,000
Construction Hard Cost Contingency	\$342,000
Soft Cost Contingency	\$107,175
Architectural/Engineering	\$439,400
Const. Interest, Perm. Financing	\$762,007
Legal Fees	\$103,000
Reserves	\$166,093
Other Costs	\$672,994
Developer Fee	\$1,664,678
<b>Total</b>	<b>\$11,613,342</b>

**Residential**

Construction Cost Per Square Foot:	\$461
Per Unit Cost:	\$645,186
True Cash Per Unit Cost*:	\$631,297

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
R4 Capital Funding	\$5,997,235	R4 Capital Funding	\$3,218,274
R4 Capital Funding	\$871,090	HCD - IIG	\$1,287,924
Deferred Developer Fee	\$1,617,060	Deferred Developer Fee	\$250,000
Deferred Reserves	\$385,100	Tax Credit Equity	\$6,857,144
Tax Credit Equity	\$2,742,858	<b>TOTAL</b>	<b>\$11,613,342</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$9,988,070
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$12,984,491
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$519,380
Total State Credit:	\$2,828,686
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,664,678
Investor/Consultant:	R4 Capital
Federal Tax Credit Factor:	\$0.89000
State Tax Credit Factor:	\$0.79000

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.

If points were awarded by CDLAC for housing type, the project shall comply with the housing type requirements at the time of CTCAC's Placed In Service review. The housing type requirement shall be conditioned in the CTCAC Regulatory Agreement and CTCAC Compliance staff shall verify the project is meeting those housing type requirements, consistent with California Code of Regulations, title 4, section 10322(i).