

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report  
Tax-Exempt Bond Project  
May 10, 2023**

St. Anton Ascent, located at 3531, 3541 & 3561 Del Paso Road in Sacramento, requested and is being recommended for a reservation of \$2,046,288 in annual federal tax credits and \$9,000,000 in total state tax credits to finance the new construction of 119 units of housing serving families with rents affordable to households earning 30%-70% of area median income (AMI). The project will be developed by St. Anton Communities, LLC and will be located in Senate District 8 and Assembly District 6.

**Project Number** CA-23-491

**Project Name** St. Anton Ascent  
Site Address: 3531, 3541 & 3561 Del Paso Road  
Sacramento, CA 95835  
County: Sacramento  
Census Tract: 71.07

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,046,288	\$9,000,000
Recommended:	\$2,046,288	\$9,000,000

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

**Applicant Information**

Applicant: Ascent Affordable, LP  
Contact: Sahar Soltani  
Address: 1801 I Street, Suite 200  
Sacramento, CA 95811  
Phone: (916) 400-2074  
Email: ss@antoncap.com

General Partner(s) or Principal Owner(s): St. Anton Ascent Affordable, LLC  
Pach Anton South Holdings, LLC

General Partner Type: Joint Venture  
Parent Company(ies): Blue Bronco, LLC  
Pacific Housing, Inc

Developer: St. Anton Communities, LLC  
Bond Issuer: CalPFA  
Investor/Consultant: WNC  
Management Agent: St. Anton Multifamily, Inc

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 5  
Total # of Units: 120  
No. / % of Low Income Units: 119 100.00%  
Federal Set-Aside Elected: 40%/60% Average Income  
Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Large Family  
 Geographic Area: Capital Region  
 CTCAC Project Analyst: Brett Andersen

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	12	10%
50% AMI:	12	10%
60% AMI:	48	40%
70% AMI:	47	39%

**Unit Mix**

60 1-Bedroom Units
30 2-Bedroom Units
30 3-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>
6 1 Bedroom	30%	\$570
6 1 Bedroom	50%	\$950
24 1 Bedroom	60%	\$1,140
23 1 Bedroom	70%	\$1,330
3 2 Bedrooms	30%	\$684
3 2 Bedrooms	50%	\$1,140
12 2 Bedrooms	60%	\$1,368
12 2 Bedrooms	70%	\$1,596
3 3 Bedrooms	30%	\$790
3 3 Bedrooms	50%	\$1,317
12 3 Bedrooms	60%	\$1,581
12 3 Bedrooms	70%	\$1,844
1 1 Bedroom	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,059,850
Construction Costs	\$28,059,200
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,386,977
Soft Cost Contingency	\$65,015
Relocation	\$0
Architectural/Engineering	\$664,550
Const. Interest, Perm. Financing	\$4,409,048
Legal Fees	\$155,000
Reserves	\$382,366
Other Costs	\$2,012,913
Developer Fee	\$5,130,000
Commercial Costs	\$0
<b>Total</b>	<b>\$45,324,919</b>

**Residential**

Construction Cost Per Square Foot:	\$255
Per Unit Cost:	\$377,708
True Cash Per Unit Cost*:	\$355,848

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Banner Bank Tax-Exempt	\$23,330,000	Banner Bank	\$15,430,000
Banner Bank Taxable	\$13,400,000	Deferred Developer Fee	\$2,623,114
Tax Credit Equity	\$2,710,000	Net Operating Income	\$184,015
		Tax Credit Equity	\$27,087,790
		<b>TOTAL</b>	<b>\$45,324,919</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$39,351,689
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$51,157,196
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,046,288
Total State Credit:	\$9,000,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$5,130,000
Investor/Consultant:	WNC
Federal Tax Credit Factor:	\$0.94990
State Tax Credit Factor:	\$0.85000

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**

The applicant's estimate for annual operating expenses per unit is \$4,409, which is below the \$4,800 published per unit operating expense minimum required for this type of project. As allowed by CTCAC Regulation Section 10327(g)(1), CTCAC approves the annual per unit operating expense, which is no more than 15% below the CTCAC published minimum, with agreement from the permanent lender and equity investor. For the placed in service review, the applicant must calculate the 15% reduction using the 2022 Operating Cost per Unit minimums.

The applicant is using 2% inflators for income and 3% inflators for expenses on their 15 Year Pro Forma. As allowed by CTCAC Regulation Section 10327(g)(1)(A), CTCAC approves the annual per unit operating expense, which is no more than 15% below the CTCAC published minimum, with agreement from the permanent lender and equity investor.

**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).