

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Park Center Apartments, located at 709 North Center Street and 21 & 39 West Park Street in Stockton, requested and is being recommended for a reservation of \$1,903,098 in annual federal tax credits to finance the new construction & adaptive reuse of 50 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 Park Center Apartments, a California Limited Partnership and will be located in Senate District 5 and Assembly District 13.

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

Project Number CA-23-002

Project Name Park Center Apartments
Site Address: 709 North Center Street and 21 & 39 West Park Street
Stockton, CA 95202
County: San Joaquin
Census Tract: 4.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,903,098	\$0
Recommended:	\$1,903,098	\$0

Applicant Information

Applicant: Park Center Apartments
Contact: Peter W. Ragsdale
Address: 2575 Grand Canal Boulevard, Suite 220
Stockton, CA 95207
Phone: 209-460-5065
Email: Pragsdale@hacsj.org

General Partner(s) / Principal Owner(s): DCDC Park Center, LLC
Community Revitalization and Development Corporation
General Partner Type: Nonprofit
Parent Company(ies): Delta Community Developers Corporation
Community Revitalization and Development Corporation
Developer: Park Center Apartments
Investor/Consultant: California Housing Partnership
Management Agent(s): Domus Management Company

Project Information

Construction Type: New Construction & Adaptive Reuse
Total # Residential Buildings: 2
Total # of Units: 51
No. & % of Tax Credit Units: 50 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME / HUD Section 8 Project-based Vouchers (50 Units - 100%)

Information

Set-Aside: Special Needs
Housing Type: Special Needs
Type of Special Needs: Persons with physical, mental, development disabilities
Average Targeted Affordability of Special Needs/SRO Project Units: 38.40%
% of Special Need Units: 50 units 100.00%
Geographic Area: N/A
CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AMI:	29	58%
At or Below 50% AMI:	21	42%

Unit Mix

2 SRO/Studio Units
47 1-Bedroom Units
2 2-Bedroom Units
51 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
2 SRO/Studio	30%	\$435
26 1 Bedroom	30%	\$466
1 2 Bedrooms	30%	\$559
21 1 Bedroom	50%	\$776
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,400,000
Construction Costs	\$10,262,926
Rehabilitation Costs	\$7,680,625
Construction Contingency	\$2,570,024
Relocation	\$0
Architectural/Engineering	\$662,500
Const. Interest, Perm. Financing	\$1,857,473
Legal Fees	\$107,500
Reserves	\$771,600
Other Costs	\$1,397,199
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$29,909,847

Residential

Construction Cost Per Square Foot:	\$493
Per Unit Cost:	\$586,468
True Cash Per Unit Cost*:	\$586,468

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
F&M Bank	\$12,221,410	HACCSJ	\$11,650,000
HACCSJ	\$11,650,000	City of Stockton	\$2,227,632
City of Stockton	\$2,227,632	Tax Credit Equity	\$16,032,215
Deferred Costs	\$2,335,833	TOTAL	\$29,909,847
Tax Credit Equity	\$1,474,972		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$16,265,795
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$21,145,534
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,903,098
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.84243

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:	Special Needs
Self-Score Final:	78.169%
CTCAC Final:	78.169%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Stockton, 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

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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1 1/2 miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
SPECIAL NEEDS HOUSING TYPE			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Health/behavioral services provided by licensed org. or individual	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Enhanced Accessibility and Visitability	2	2	2
Total Points	109	109	109

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.