

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Yurok Homes #4, located at 80 Cedar Lane in Klamath Glen, requested and is being recommended for a reservation of \$1,739,667 in annual federal tax credits to finance the new construction of 23 units of housing serving families with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by Yurok Indian Housing Authority and will be located in Senate District 2 and Assembly District 2.

The project will be receiving rental assistance in the form of Housing Assistance Payments from the Yurok Indian Housing Authority.

Project Number CA-23-013

Project Name Yurok Homes #4
Site Address: 80 Cedar Lane
Klamath Glen, CA 95548
County: Del Norte
Census Tract: 2.03

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,739,667	\$0
Recommended:	\$1,739,667	\$0

Applicant Information

Applicant: Yurok Homes #4 LP
Contact: Nicole Sager
Address: 15540 US Highway 101 North
Klamath, CA 95548
Phone: 707-482-1506
Email: nsager@yurokhousing.com

General Partner(s) / Principal Owner(s): Yurok Indian Housing Authority
General Partner Type: Nonprofit
Parent Company(ies): Yurok Indian Housing Authority
Developer: Yurok Indian Housing Authority
Investor/Consultant: RBC Community Investments
Management Agent(s): Yurok Indian Housing Authority
Barker Management Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 12
Total # of Units: 24
No. & % of Tax Credit Units: 23 100%
Federal Set-Aside Elected: 40%/60% Average Income
Federal Subsidy: None

Information

Set-Aside: Rural (Native American apportionment)
 Housing Type: Large Family
 Geographic Area: N/A
 CTCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	5	20%
At or Below 40% AMI:	5	20%
At or Below 50% AMI (Rural):	8	30%
At or Below 80% AMI:	5	20%

Unit Mix

12 1-Bedroom Units
 12 3-Bedroom Units
24 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 1 Bedroom	30%	\$261
2 1 Bedroom	40%	\$311
4 1 Bedroom	50%	\$361
3 1 Bedroom	80%	\$411
2 3 Bedrooms	30%	\$404
3 3 Bedrooms	40%	\$554
4 3 Bedrooms	50%	\$704
2 3 Bedrooms	80%	\$904
1 3 Bedrooms	Manager's Unit	\$1,000

Project Cost Summary at Application

Land and Acquisition	\$0
Construction Costs	\$16,309,118
Rehabilitation Costs	\$0
Construction Contingency	\$812,970
Relocation	\$0
Architectural/Engineering	\$817,894
Const. Interest, Perm. Financing	\$90,000
Legal Fees	\$72,500
Reserves	\$30,545
Other Costs	\$216,073
Developer Fee	\$600,000
Commercial Costs	\$0
Total	\$18,949,100

Residential

Construction Cost Per Square Foot:	\$612
Per Unit Cost:	\$789,546
True Cash Per Unit Cost:	\$789,546

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Yurok Indian Housing Authority	\$4,685,256	Yurok Indian Housing Authority	\$4,685,256
Tax Credit Equity	\$14,263,844	Tax Credit Equity	\$14,263,844
		TOTAL	\$18,949,100

Determination of Credit Amount(s)

Requested Eligible Basis:	\$14,868,950
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$19,329,635
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,739,667
Approved Developer Fee (Project Cost & Eligible Basis):	\$600,000
Investor/Consultant:	RBC Community Investments
Federal Tax Credit Factor:	\$0.81992

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

Self-Score Final:	70.85%
CTCAC Final:	70.85%

Significant Information / Additional Conditions

Staff noted a per unit project cost of \$789,546. The applicant noted this cost is attributed primarily to continued rising general construction costs as well as significant required infrastructure work.

This project requested and was granted a waiver for the recreational facilities requirement for children ages 2-12 and 13-17 under CTCAC regulation Section 10325(g)(1)(D). The project is adjacent to nearby, readily accessible recreational facilities that include an outdoor playground with play equipment for children ages 2-12 years and a full basketball court for teens ages 13-17 years.

Pursuant to CTCAC Regulation Section 10326(g)(5), general partners and management companies lacking documented experience with Section 42 requirements using the minimum scoring standards at Section 10325(c)(2)(A) and (B) shall be required to complete training as prescribed by CTCAC prior to a project’s placing in service.

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 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	0	0	0
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Other Services Specialist, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	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
Smoke Free Residence	2	2	2
Total Points	94	94	94

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.