

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Wheatland Senior Apartments, located at 810 1st Street in Wheatland, requested and is being recommended for a reservation of \$1,064,729 in annual federal tax credits to finance the new construction of 31 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 6 and Assembly District 3.

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

Project Number CA-23-046

Project Name Wheatland Senior Apartments

Site Address: 810 1st Street
Wheatland, CA 95692
County: Yuba
Census Tract: 408

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,064,729	\$0
Recommended:	\$1,064,729	\$0

Applicant Information

Applicant: Wheatland Senior Associates, a California Limited Partnership
Contact: Caleb Roope
Address: 430 E. State Street, Suite 100
Eagle, ID 83616
Phone: 208.461.0022
Email: calebr@tpchousing.com

General Partner(s) / Principal Owner(s): Building Better Partnerships, Inc.
TPC Holdings IX, LLC
General Partner Type: Joint Venture
Parent Company(ies): Building Better Partnerships, Inc.
The Pacific Companies
Developer: Pacific West Communities, Inc.
Investor/Consultant: Boston Financial
Management Agent(s): Buckingham Property Management

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 32
No. & % of Tax Credit Units: 31 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME / HUD Section 8 Project-based Vouchers (10 Units - 32%)

Information

Set-Aside: Rural apportionment (HOME)
 Housing Type: Seniors
 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:	4	10%
At or Below 40% AMI:	4	10%
At or Below 50% AMI (Rural):	16	50%
At or Below 60% AMI:	7	20%

Unit Mix

26 1-Bedroom Units
6 2-Bedroom Units
<u>32 Total Units</u>

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 1 Bedroom	30%	\$438
3 1 Bedroom	40%	\$585
14 1 Bedroom	50%	\$731
6 1 Bedroom	60%	\$877
1 2 Bedrooms	30%	\$526
1 2 Bedrooms	40%	\$702
2 2 Bedrooms	50%	\$877
1 2 Bedrooms	60%	\$1,053
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$500,000
Construction Costs	\$9,894,170
Rehabilitation Costs	\$0
Construction Contingency	\$700,000
Relocation	\$0
Architectural/Engineering	\$575,000
Const. Interest, Perm. Financing	\$600,400
Legal Fees	\$50,000
Reserves	\$122,629
Other Costs	\$1,589,294
Developer Fee	\$1,986,554
Commercial Costs	\$0
Total	\$16,018,047

Residential

Construction Cost Per Square Foot:	\$474
Per Unit Cost:	\$500,564
True Cash Per Unit Cost*:	\$500,564

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
California Bank & Trust	\$7,311,545	California Bank & Trust	\$1,000,000
Wheatland - HOME Loan	\$5,074,328	Wheatland - HOME Loan	\$5,638,142
Wheatland - Fee Deferral Loan	\$650,000	Wheatland - Fee Deferral Loan	\$650,000
Deferred Developer Fee	\$1,986,554	Tax Credit Equity	\$8,729,905
Deferred Costs	\$122,629	TOTAL	\$16,018,047
Tax Credit Equity	\$872,991		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$9,100,250
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$11,830,325
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,064,729
Approved Developer Fee (Cost & Eligible Basis):	\$1,986,554
Investor/Consultant:	Boston Financial
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:	64.150%
CTCAC Final:	64.150%

Significant Information / Additional Conditions

Projects with funding and/or subsidies from HUD are required to use Utility Allowances (UAs) approved by HUD. The applicant’s use of the CUAC for Wheatland Senior Apartments, CA-23-046, is subject to approval by HUD.

The project includes construction of a space that staff has deemed a community service facility. Given the community service building is not located in a qualified census tract, the prorated costs for the community service facility based on square footage shall be excluded from eligible basis.

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	15	15	15
Van or dial-a-ride service provided to tenants (Rural set-aside only)	4	4	4
Within 1 mile of a public park or community center (Rural set-aside only)	3	3	3
Within 1/2 mile of a neighborhood market of at least 5,000 sf (Rural)	4	4	4
Within 1 mile of medical clinic or hospital (Rural set-aside only)	3	3	3
In-unit high speed internet service (Rural set-aside only)	3	3	3
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
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
State Credit Substitution	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 REAPPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.