CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
August 23, 2023

Vintage at Vizcaya, located at 1720 South Depot Street in Santa Maria, requested and is being recommended for a reservation of $3,290,263 in annual federal tax credits to finance the acquisition & rehabilitation of 234 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Vintage Housing Development, Inc. and is located in Senate District 19 and Assembly District 37.

Vintage at Vizcaya is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, The Vizcaya Apartments (CA-2007-864) and (CA-1990-020). See Resyndication and Resyndication Transfer Event below for additional information.

Project Number	CA-23-551

Project Name	Vintage at Vizcaya
Site Address:	1720 South Depot Street Santa Maria, CA 93458
County:	Santa Barbara
Census Tract:	24.09

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$3,290,263	$0
Recommended:	$3,290,263	$0

Applicant Information

Applicant:	Vizcaya by Vintage, LP
Contact:	Ryan Patterson
Address:	991c Lomas Santa Fe #411 Solana Beach, CA 92075
Phone:	(702) 806-6860
Email:	rpatterson@vintagehousing.com

General Partner(s) or Principal Owner(s):	Vizcaya by Vintage Partners, LLC Hearthstone CA Properties II, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Pinnacle Advisors LLC Hearthstone Housing Foundation
Developer:	Vintage Housing Development, Inc.
Bond Issuer:	California Municipal Finance Authority
Investor/Consultant:	Aegon USA Realty Advisors, LLC
Management Agent:	FPI Management Inc.

Project Information

Construction Type:	Acquisition & Rehabilitation	
Total # Residential Buildings:	26	
Total # of Units:	236	
No. / % of Low Income Units:	234	100.00%
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt	

Information

Housing Type:	Non-Targeted
Geographic Area:	Central Coast Region
CTCAC Project Analyst:	Dylan Hervey

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	25	11%
50% AMI:	24	10%
60% AMI:	185	79%

Unit Mix

24	1-Bedroom Units
112	2-Bedroom Units
80	3-Bedroom Units
20	4-Bedroom Units
236	Total Units

Unit Type & Number		2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
3	1 Bedroom	30%	$680
2	1 Bedroom	50%	$1,204
19	1 Bedroom	60%	$1,466
12	2 Bedrooms	30%	$818
12	2 Bedrooms	50%	$1,447
86	2 Bedrooms	60%	$1,762
8	3 Bedrooms	30%	$940
8	3 Bedrooms	50%	$1,667
64	3 Bedrooms	60%	$2,030
2	4 Bedrooms	30%	$1,039
2	4 Bedrooms	50%	$1,850
16	4 Bedrooms	60%	$2,255
2	2 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$64,500,000
Rehabilitation Costs	$15,026,400
Construction Hard Cost Contingency	$722,160
Soft Cost Contingency	$150,000
Relocation	$32,500
Architectural/Engineering	$350,000
Const. Interest, Perm. Financing	$7,911,761
Legal Fees	$209,500
Reserves	$2,129,516
Other Costs	$994,028
Developer Fee	$5,587,176
Total	**$97,613,041**

Residential

Construction Cost Per Square Foot:	$62
Per Unit Cost:	$413,615
True Cash Per Unit Cost*:	$398,798

Construction Financing

Source	Amount
Citibank - Tax Exempt	$47,500,000
Citibank - Tax Exempt	$11,846,681
Citibank	$20,000,000
Net Operating Income	$5,867,935
Deferred Developer Fee	$5,587,176
Deferred Costs	$2,129,516
Existing Reserves	$279,190
Tax Credit Equity	$4,402,543

Permanent Financing

Source	Amount
Citibank - Tax Exempt	$47,500,000
Citibank - Tax Exempt	$11,846,681
Net Operating Income	$5,867,935
Deferred Developer Fee	$3,496,811
Existing Reserves	$279,190
Tax Credit Equity	$28,622,424
TOTAL	**$97,613,041**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$20,167,619
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	$62,088,950
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$20,167,619
Qualified Basis (Acquisition):	$62,088,950
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$806,705
Maximum Annual Federal Credit, Acquisition:	$2,483,558
Total Maximum Annual Federal Credit:	$3,290,263
Approved Developer Fee in Project Cost:	$5,587,176
Investor/Consultant:	Aegon USA Realty Advisors, LLC
Federal Tax Credit Factor:	$0.86991

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:
Prior to closing, the applicant or its assignee shall obtain CTCAC's consent to assign and assume the existing Regulatory Agreement (CA-07-864). To be eligible for a new award of tax credits, the owner must provide documentation with the Form 8609 request (the placed in service submission) that the acquisition date and the placed in service date both occurred after the existing federal 15 year compliance period was completed. For resyndications that were originally rehabilitation and acquisition, the resyndication acquisition date cannot occur before the last rehabilitation credit year of the original credit period.

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

The newly resyndicated project shall continue to meet the rents and income targeting levels in the existing regulatory agreement(s) and any deeper targeting levels in the new regulatory agreement(s) for the duration of the new regulatory agreement(s). Existing households determined to be income-qualified for purposes of IRC §42 credit during the 15-year compliance period are concurrently income-qualified households for purposes of the extended use agreement. As a result, any household determined to be income qualified at the time of move-in under the existing regulatory agreement (CA-07-864) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on CTCAC staff’s review of the commitment in the application. The services documented in the placed in service package will be reviewed by CTCAC staff for compliance with this requirement at the time of the placed in service submission.

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from the requirements under CTCAC Regulation Section 10320(b)(4).

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).