

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2023 Second Round**

**November 8, 2023**

Bar Triangle Apartments, located at 2225 Bar Triangle Street in Chico, requested and is being recommended for a reservation of \$2,223,996 in annual federal tax credits to finance the new construction of 69 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by CCHC Developer, LLC and will be located in Senate District 4 and Assembly District 3.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Multifamily Housing Program (MHP) of HCD.

**Project Number** CA-23-083

**Project Name** Bar Triangle Apartments  
Site Address: 2225 Bar Triangle Street  
Chico, CA 95928  
County: Butte  
Census Tract: 9.03

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,223,996	\$0
Recommended:	\$2,223,996	\$0

**Applicant Information**

Applicant: Central California Housing Corporation  
Contact: Laurie Doyle  
Address: 3128 Willow Avenue, Suite 101  
Clovis, CA 93612  
Phone: (559) 292-3385  
Email: Ldoyle@ahdcinc.com

General Partner(s) / Principal Owner(s): Central California Housing Corporation  
Butte County Affordable Housing Development Corporation  
General Partner Type: Joint Venture  
Parent Company(ies): Central California Housing Corporation  
Housing Authority of the County of Butte  
Developer: CCHC Developer, LLC  
Investor/Consultant: R4 Capital  
Management Agent(s): WinnResidential California L.P.

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 5  
Total # of Units: 70  
No. & % of Tax Credit Units: 69 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HUD Section 8 Project-based Vouchers (25 Units - 36%)

**Information**

Set-Aside: N/A  
Housing Type: Large Family  
Geographic Area: Northern Region  
CTCAC Project Analyst: Jacob Paixao

**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:	18	25%
At or Below 40% AMI:	12	15%
At or Below 50% AMI:	19	25%
At or Below 60% AMI:	20	25%

**Unit Mix**

18 1-Bedroom Units
34 2-Bedroom Units
<u>18 3-Bedroom Units</u>
70 Total Units

<u>Unit Type &amp; Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 1 Bedroom	30%	\$464
2 1 Bedroom	40%	\$619
1 1 Bedroom	40%	\$619
5 1 Bedroom	50%	\$773
5 1 Bedroom	60%	\$928
8 2 Bedrooms	30%	\$557
3 2 Bedrooms	40%	\$743
3 2 Bedrooms	40%	\$743
9 2 Bedrooms	50%	\$928
10 2 Bedrooms	60%	\$1,114
5 3 Bedrooms	30%	\$643
2 3 Bedrooms	40%	\$858
1 3 Bedrooms	40%	\$858
5 3 Bedrooms	50%	\$1,072
5 3 Bedrooms	60%	\$1,287
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,650,000
Construction Costs	\$25,273,954
Rehabilitation Costs	\$0
Construction Contingency	\$1,376,198
Relocation	\$0
Architectural/Engineering	\$940,659
Const. Interest, Perm. Financing	\$4,182,567
Legal Fees	\$345,000
Reserves	\$203,546
Other Costs	\$3,151,761
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$39,323,685</b>

**Residential**

Construction Cost Per Square Foot:	\$381
Per Unit Cost:	\$561,767
True Cash Per Unit Cost*:	\$549,758

**Construction Financing**

Source	Amount
Merchants Bank of Indiana	\$21,000,000
HCD: MHP	\$14,442,686
Tax Credit Equity	\$1,951,337
Deferred Costs	\$1,929,662

**Permanent Financing**

Source	Amount
Merchants Bank of Indiana	\$4,527,000
HCD: MHP	\$14,442,686
Deferred Developer Fee	\$840,633
Solar Tax Credit Equity	\$387,000
Tax Credit Equity	\$19,126,366
<b>TOTAL</b>	<b>\$39,323,685</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$24,711,072
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$24,711,072
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,223,996
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	R4 Capital
Federal Tax Credit Factor:	\$0.86000

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:	<b>Large Family</b>
Self-Score Final:	<b>74.377%</b>
CTCAC Final:	<b>74.039%</b>

**Significant Information / Additional Conditions**

Projects with funding and/or subsidy from HUD are required to use Utility Allowances (UAs) approved by HUD. The applicant has proposed to use the Utility Allowances approved by the Public Housing Authority for the 25 units with Project-based Vouchers and a CUAC utility allowance for all remaining units. CTCAC staff is in the process of reviewing the CUAC documentation for this existing project. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC. In addition, the applicant is advised that IRS rules allow only one Utility Allowance source per building.

**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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within 1/4 mile of transit station or public bus stop	4	4	4
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/2 mile of a pharmacy	2	2	2
Highest or High Resource Area	8	8	8
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**