

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 Second Round

November 8, 2023

Corinthian House Apartments, located at 250 Budd Avenue in Campbell, requested and is being recommended for a reservation of \$1,547,971 in annual federal tax credits and \$4,608,884 in total state tax credits to finance the acquisition and rehabilitation of 100 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Community Preservation Partners LLC and is located in Senate District 15 and Assembly District 23.

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

Project Number CA-23-127

Project Name Corinthian House Apartments

Site Address: 250 Budd Avenue
Campbell, CA 95008
County: Santa Clara
Census Tract: 5065.03

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,547,971	\$4,608,884
Recommended:	\$1,547,971	\$4,608,884

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant: Corinthian Community Partners LP
Contact: Anand Kannan
Address: 17782 Sky Park Circle
Irvine, CA 92614
Phone: 949-236-8278
Email: akannan@cpp-housing.com

General Partner(s) / Principal Owner(s): CPP - Corinthian GP, LLC
FFAH II Corinthian Apartments, LLC
General Partner Type: Joint Venture
Parent Company(ies): WNC Development Partners , LLC
Foundation for Affordable Housing II Inc
Developer: Community Preservation Partners LLC
Investor/Consultant: WNC & Associates
Management Agent(s): FPI Management Inc

Project Information

Construction Type: Acquisition and Rehabilitation
Total # Residential Buildings: 2
Total # of Units: 102
No. & % of Tax Credit Units: 100 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Contract (36 Units - 35%)

Information

Set-Aside: N/A
Housing Type: Seniors
Geographic Area: South and West Bay Region
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:	36	35%
At or Below 50% AMI:	11	10%
At or Below 60% AMI:	53	50%

Unit Mix

47 SRO/Studio Units
55 1-Bedroom Units

102 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
4 SRO/Studio	30%	\$936
8 1 Bedroom	30%	\$1,003
5 SRO/Studio	50%	\$1,561
6 1 Bedroom	50%	\$1,673
20 SRO/Studio	60%	\$1,873
33 1 Bedroom	60%	\$2,007
18 SRO/Studio	30%	\$936
6 1 Bedroom	30%	\$1,003
2 1 Bedroom	Manager Units	\$0

Project Cost Summary at Application

Land and Acquisition	\$21,050,000
Construction Costs	\$0
Rehabilitation Costs	\$9,282,485
Construction Contingency	\$1,078,248
Relocation	\$306,000
Architectural/Engineering	\$281,400
Const. Interest, Perm. Financing	\$2,926,661
Legal Fees	\$150,000
Reserves	\$732,000
Other Costs	\$268,793
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$38,275,587

Residential

Construction Cost Per Square Foot:	\$116
Per Unit Cost:	\$375,251
True Cash Per Unit Cost*:	\$374,074

Construction Financing

Source	Amount
Citibank	\$28,360,000
Net Operating Income	\$2,204,907
Deferred Developer Fee	\$532,232
Tax Credit Equity	\$7,178,448

Permanent Financing

Source	Amount
Citibank	\$17,637,000
Net Operating Income	\$2,204,907
Deferred Developer Fee	\$119,999
Tax Credit Equity	\$18,313,681
TOTAL	\$38,275,587

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$15,490,509
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$3,845,625
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$15,490,509
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$3,845,625
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,394,146
Maximum Annual Federal Credit, Acquisition:	\$153,825
Total Maximum Annual Federal Credit:	\$1,547,971
Total State Credit:	\$4,608,884
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	WNC & Associates
Federal Tax Credit Factor:	\$0.93000
State Tax Credit Factor:	\$0.85000

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:	Seniors
Self-Score Final:	33.977%
CTCAC Final:	33.977%

Significant Information / Additional Conditions

The applicant's estimate of the 3-month operating reserve shown in the application development budget is slightly below TCAC's minimum. Under regulation section 10327(a) initial application errors of \$100,000 or less shall be deemed covered by the contingency line item. The applicant must correct the 3-month operating reserve in the readiness submission and all subsequent submissions to CTCAC.

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
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
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
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
Smoke Free Residence	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.