

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2023 Second Round**

**November 8, 2023**

La Sabila (fka Santa Fe Apartments), located at 2357 South Santa Fe Avenue in Vista, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$3,722,526 in total state tax credits to finance the new construction of 84 units of housing serving seniors and special needs tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Wakeland Housing and Development Corporation and will be located in Senate District 40 and Assembly District 76.

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 No Place Like Home (NPLH) program of HCD.

**Project Number** CA-23-147

**Project Name** La Sabila (fka Santa Fe Apartments)  
**Site Address:** 2357 South Santa Fe Avenue  
Vista, CA 92083  
**County:** San Diego  
**Census Tract:** 199.02

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,500,000	\$3,722,526
Recommended:	\$2,500,000	\$3,722,526

\* The applicant made an election to sell (Certificate) all or any portion of the state credits.

**Applicant Information**

**Applicant:** Wakeland Santa Fe Senior LP  
**Contact:** Lisa Huff  
**Address:** 1230 Columbia Street, Suite 950  
San Diego, CA 92101  
**Phone:** (858) 699-2044  
**Email:** lhuff@wakelandhdc.com

**General Partner(s) / Principal Owner(s):** Wakeland Santa Fe Senior LLC  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** Wakeland Housing and Development Corporation  
**Developer:** Wakeland Housing and Development Corporation  
**Investor/Consultant:** California Housing Partnership Corporation  
**Management Agent(s):** ConAm Management Corporation

**Project Information**

**Construction Type:** New Construction  
**Total # Residential Buildings:** 1  
**Total # of Units:** 85  
**No. & % of Tax Credit Units:** 84 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** HOME / CDBG / HUD Section 8 Project-based Vouchers (42 Units - 50%)

**Information**

Set-Aside: Nonprofit (Homeless assistance)  
 Housing Type: Special Needs Seniors  
 Type of Special Needs: Homeless  
 Average Targeted Affordability of Special Needs/SRO Project Units: 37.60%  
 % of Special Need Units: 42 units 50.00%  
 Geographic Area: San Diego County  
 CTCAC Project Analyst: Franklin Cui

**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:	21	25%
At or Below 40% AMI:	10	10%
At or Below 50% AMI:	11	10%
At or Below 60% AMI:	42	50%

**Unit Mix**

84 SRO/Studio Units  
1 2-Bedroom Units  
 85 Total Units

<u>Unit Type &amp; Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 SRO/Studio	30%	\$361
6 SRO/Studio	30%	\$482
9 SRO/Studio	30%	\$603
10 SRO/Studio	40%	\$965
11 SRO/Studio	50%	\$1,206
42 SRO/Studio	60%	\$1,447
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$6,673,899
Construction Costs	\$25,655,980
Rehabilitation Costs	\$0
Construction Contingency	\$1,517,759
Relocation	\$0
Architectural/Engineering	\$1,681,250
Const. Interest, Perm. Financing	\$4,159,670
Legal Fees	\$221,338
Reserves	\$698,460
Other Costs	\$2,776,026
Developer Fee	\$2,200,000
Commercial Costs	\$0
<b>Total</b>	<b>\$45,584,382</b>

## Residential

Construction Cost Per Square Foot:	\$458
Per Unit Cost:	\$536,287
True Cash Per Unit Cost*:	\$533,577

### Construction Financing

Source	Amount
Banner Bank	\$31,006,356
County of San Diego: NPLH	\$1,791,308
County: CDBG/HOME	\$6,651,057
County: PLHA	\$1,359,381
Deferred Costs	\$2,058,309
Impact Fee Waiver	\$230,325
Tax Credit Equity	\$2,487,646

### Permanent Financing

Source	Amount
Banner Bank	\$8,246,000
County of San Diego: NPLH	\$1,982,898
County: CDBG/HOME	\$7,362,425
County: PLHA	\$1,504,774
Impact Fee Waiver	\$230,325
Tax Credit Equity	\$26,257,960
<b>TOTAL</b>	<b>\$45,584,382</b>

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

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,367,521
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,778
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$3,722,526
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.92450
State Tax Credit Factor:	\$0.84498

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>Special Needs</b>
Self-Score Final:	<b>67.106%</b>
CTCAC Final:	<b>67.106%</b>

**Significant Information / Additional Conditions:** None.

**Resyndication and Resyndication Transfer Event:** None.

### Local Reviewing Agency

The Local Reviewing Agency, County of San Diego, has completed a site review of this project and supports this project.

## **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 1/3 mile of transit, service every 30 minutes in rush hours	6	6	6
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Special Needs project within 1 mile of facility serving tenant population	2	2	2
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
In-unit high speed internet service	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, 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
SPECIAL NEEDS HOUSING TYPE			
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
<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.**