

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report Tax-Exempt Bond Project December 6, 2023

Gibson Drive Apartments Phase I, located at 540, 556, 564, 572, and 580 Gibson Drive in Roseville, requested and is being recommended for a reservation of \$5,231,818 in annual federal tax credits to finance the new construction of 258 units of housing serving families with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by Roseville Affordable Developer, LLC and will be located in Senate District 6 and Assembly District 5.

Project Number CA-23-595

Project Name Gibson Drive Apartments Phase I
Site Address: 540, 556, 564, 572, and 580 Gibson Drive
Roseville, CA 95678
County: Placer
Census Tract: 06-061-0226.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$5,231,818	\$0
Recommended:	\$5,231,818	\$0

Applicant Information

Applicant: Roseville Affordable, LP
Contact: Greg Anderson
Address: 130 Vantis, Suite 200
Aliso Viejo, CA 92656
Phone: 949-389-7211
Email: greg.anderson@sheaproPERTIES.com

General Partner(s) or Principal Owner(s): PacH Roseville Holdings, LLC
Roseville Affordable Admin GP, LLC
General Partner Type: Joint Venture
Parent Company(ies): Pacific Housing, Inc.
Shea Properties LLC
Developer: Roseville Affordable Developer, LLC
Bond Issuer: California Municipal Finance Authority
Investor/Consultant: Aegon USA Realty Advisors, LLC
Management Agent: FPI Management Corporation

Project Information

Construction Type: New Construction
Total # Residential Buildings: 13
Total # of Units: 261
No. / % of Low Income Units: 258 100.00%
Federal Set-Aside Elected: 40%/60% Average Income
Federal Subsidy: Tax-Exempt

Information

Housing Type: Large Family
Geographic Area: Capital Region
CTCAC Project Analyst: Cynthia Compton

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	28	11%
50% AMI:	54	21%
60% AMI:	113	44%
80% AMI:	63	24%

Unit Mix

93 1-Bedroom Units
102 2-Bedroom Units
66 3-Bedroom Units
261 Total Units

Unit Type & Number	2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
10 1 Bedroom	30%	\$603
19 1 Bedroom	50%	\$1,005
40 1 Bedroom	60%	\$1,206
24 1 Bedroom	80%	\$1,609
11 2 Bedrooms	30%	\$723
15 2 Bedrooms	50%	\$1,206
6 2 Bedrooms	50%	\$1,206
15 2 Bedrooms	60%	\$1,447
6 2 Bedrooms	60%	\$1,447
24 2 Bedrooms	60%	\$1,447
22 2 Bedrooms	80%	\$1,930
7 3 Bedrooms	30%	\$836
13 3 Bedrooms	50%	\$1,393
1 3 Bedrooms	50%	\$1,393
28 3 Bedrooms	60%	\$1,672
17 3 Bedrooms	80%	\$2,230
3 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$6,100,000
Construction Costs	\$64,677,000
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$4,828,000
Soft Cost Contingency	\$165,000
Relocation	\$0
Architectural/Engineering	\$2,342,000
Const. Interest, Perm. Financing	\$9,243,000
Legal Fees	\$377,000
Reserves	\$1,313,000
Other Costs	\$11,460,000
Developer Fee	\$13,123,000
Commercial Costs	\$0
Total	\$113,628,000

Residential

Construction Cost Per Square Foot:	\$265
Per Unit Cost:	\$435,356
True Cash Per Unit Cost*:	\$360,494

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citi: Tax-Exempt	\$55,335,000	Citi: Tax-Exempt	\$37,295,000
Citi: Recycled Tax-Exempt	\$10,161,000	Seller Carryback	\$6,618,000
Seller Carryback	\$6,618,000	Shea Properties: Gap Loan	\$6,826,000
Shea Properties: Gap Loan	\$8,296,000	Operating Reserve	\$1,009,000
Accrued Interest	\$824,000	Net Operating Income	\$2,095,000
Net Operating Income	\$1,899,000	Accrued Interest	\$824,000
Deferred Operating Reserve	\$1,313,000	Deferred Developer Fee	\$12,921,000
Deferred Developer Fee	\$13,068,000	Tax Credit Equity	\$46,040,000
Tax Credit Equity	\$16,114,000	TOTAL	\$113,628,000

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$100,612,000
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$130,795,600
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$5,231,818
Approved Developer Fee (in Project Cost & Eligible Basis):	\$13,123,000
Investor/Consultant:	Aegon USA Realty Advisors, LLC
Federal Tax Credit Factor:	\$0.88000

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:

The applicant anticipates that the water service will be sub-metered and that the tenants will be billed separately for their water usage by a 3rd party company. Accordingly, the units' utility allowances include a component for water. The applicant is aware that sub-metering the water service and direct billing of the tenants by a 3rd party company must follow certain IRS rules in order to be in compliance. In conjunction with the IRS rules, prior to the issuance of the IRS 8609 forms, CTCAC will need to confirm that the water service and tenant billing have been implemented correctly. In addition, the CTCAC Compliance Section will require specific information regarding the master water bill and each tenant's water usage and water bill when they inspect the project.

Resyndication and Resyndication Transfer Event: None.

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).