

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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

Alexander Valley Apartments, located at 400 Asti Road in Cloverdale, requested and is being recommended for a reservation of \$1,909,779 in annual federal tax credits and \$11,017,953 in total state tax credits to finance the new construction of 74 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 2 and Assembly District 2.

The project will be receiving rental assistance in the form of USDA RHS 521 Rental Assistance.

Project Number CA-23-602

Project Name Alexander Valley Apartments
Site Address: 400 Asti Road
Cloverdale, CA 95425
County: Sonoma
Census Tract: 1542.01

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,909,779	\$11,017,953
Recommended:	\$1,909,779	\$11,017,953

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

Applicant Information

Applicant: Central Valley Coalition for Affordable Housing, a California Nonprofit Public Benefit Corp.

Contact: Christina Alley
Address: 3351 M Street, Suite 100
Merced, CA 95348
Phone: 209.388.0782
Email: chris@centralvalleycoalition.com

General Partner(s) or Principal Owner(s): Central Valley Coalition for Affordable Housing
TPC Holdings IX, LLC

General Partner Type: Joint Venture
Parent Company(ies): Central Valley Coalition for Affordable Housing
The Pacific Companies

Developer: Pacific West Communities, Inc.
Bond Issuer: California Municipal Finance Authority (CMFA)
Investor/Consultant: Boston Financial
Management Agent: Aperto Property Management, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 3
Total # of Units: 75
No. / % of Low Income Units: 74 100.00%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: USDA RHS 521 Rental Assistance (74 Units - 100%)

Information

Housing Type: Large Family
 Geographic Area: Northern Region
 CTCAC Project Analyst: Nick White

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	8	11%
40% AMI:	15	20%
50% AMI:	37	50%
60% AMI:	14	19%

Unit Mix

32 1-Bedroom Units
24 2-Bedroom Units
19 3-Bedroom Units
<u>75 Total Units</u>

Unit Type & Number	2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
3 1 Bedroom	30%	\$708
6 1 Bedroom	40%	\$944
16 1 Bedroom	50%	\$1,180
7 1 Bedroom	60%	\$1,416
3 2 Bedrooms	30%	\$849
6 2 Bedrooms	40%	\$1,133
12 2 Bedrooms	50%	\$1,416
2 2 Bedrooms	60%	\$1,699
2 3 Bedrooms	30%	\$981
3 3 Bedrooms	40%	\$1,308
9 3 Bedrooms	50%	\$1,635
5 3 Bedrooms	60%	\$1,962
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,198,296
Construction Costs	\$23,597,772
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,200,000
Soft Cost Contingency	\$500,000
Relocation	\$0
Architectural/Engineering	\$840,000
Const. Interest, Perm. Financing	\$2,476,900
Legal Fees	\$50,000
Reserves	\$411,142
Other Costs	\$3,320,170
Developer Fee	\$4,790,414
Commercial Costs	\$0
Total	\$39,384,694

Residential

Construction Cost Per Square Foot:	\$394
Per Unit Cost:	\$525,129
True Cash Per Unit Cost*:	\$493,263

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
California Bank & Trust: Tax-Exempt	\$20,000,000	California Bank & Trust: Tax-Exempt	\$10,700,000
California Bank & Trust: Taxable	\$11,692,714	USDA RD Section 514	\$1,000,000
Deferred Costs	\$411,142	Deferred Developer Fee	\$2,390,000
Deferred Developer Fee	\$4,790,414	Tax Credit Equity	\$25,294,694
Tax Credit Equity	\$2,490,424	TOTAL	\$39,384,694

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$36,726,511
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$47,744,464
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,909,779
Total State Credit:	\$11,017,953
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,790,414
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.83992
State Tax Credit Factor:	\$0.83992

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 part of the current legal description is part of a larger site and the project site's parcel (legal description and APN) have not yet been finalized. The legal description and APN for CA-23-602 must be completed as part of the placed-in-service package.

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).