

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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

The Sawyer, located at 1699 Tavern Road in Mammoth Lakes, requested and is being recommended for a reservation of \$2,880,916 in annual federal tax credits to finance the new construction of 80 units of housing serving families with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 4 and Assembly District 8.

The project financing includes state funding from the California Housing Accelerator (CHA) Tier 1 program, No Place Like Home (NPLH), and Infill Infrastructure Grant (IIG) programs of HCD.

Project Number CA-23-605
Project Name The Sawyer
Site Address: 1699 Tavern Road
Mammoth Lakes, CA 93546
County: Mono
Census Tract: 2.01

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,880,916	\$0
Recommended:	\$2,880,916	\$0

Applicant Information

Applicant: Mammoth Lakes Pacific Associates, a California Limited Partnership
Contact: Caleb Roope
Address: 430 E. State Street, Suite 100
Eagle, ID 83616
Phone: 208.461.0022
Email: calebr@tpchousing.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: Buckingham Property Management

Project Information

Construction Type: New Construction
Total # Residential Buildings: 2
Total # of Units: 81
No. / % of Low Income Units: 80 100.00%
Federal Set-Aside Elected: 40%/60% Average Income
Federal Subsidy: Tax-Exempt / CSFRF

Information

Housing Type: Large Family
 Geographic Area: Rural
 CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	8	10%
50% AMI:	8	10%
60% AMI:	48	60%
80% AMI:	16	20%

Unit Mix

21 SRO/Studio Units
18 1-Bedroom Units
21 2-Bedroom Units
21 3-Bedroom Units
81 Total Units

Unit Type & Number	2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
4 SRO/Studio	30%	\$446
1 SRO/Studio	50%	\$743
12 SRO/Studio	60%	\$892
4 SRO/Studio	80%	\$1,190
2 1 Bedroom	30%	\$478
2 1 Bedroom	50%	\$796
12 1 Bedroom	60%	\$956
2 1 Bedroom	80%	\$1,275
1 2 Bedrooms	30%	\$573
2 2 Bedrooms	50%	\$956
12 2 Bedrooms	60%	\$1,147
5 2 Bedrooms	80%	\$1,530
1 3 Bedrooms	30%	\$663
3 3 Bedrooms	50%	\$1,105
12 3 Bedrooms	60%	\$1,326
5 3 Bedrooms	80%	\$1,768
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,850,000
Construction Costs	\$40,615,877
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,500,000
Soft Cost Contingency	\$500,000
Relocation	\$0
Architectural/Engineering	\$1,430,000
Const. Interest, Perm. Financing	\$3,218,500
Legal Fees	\$150,000
Reserves	\$330,772
Other Costs	\$2,011,722
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$56,806,871

Residential

Construction Cost Per Square Foot:	\$411
Per Unit Cost:	\$701,319
True Cash Per Unit Cost*:	\$690,597

Construction Financing

Source	Amount
CB&T ¹ Tax-Exempt	\$29,000,000
CB&T ¹ Taxable	\$17,657,622
Seller Carryback Loan	\$650,000
HCD: IIG ²	\$6,750,000
Impact Fee Loan	\$218,477
Deferred Costs	\$650,000
Deferred Developer Fee	\$17,657,622

Permanent Financing

Source	Amount
CB&T ¹	\$6,400,000
Seller Carryback Loan	\$650,000
HCD: IIG ²	\$6,750,000
HCD: CHA ³	\$13,986,617
County of Mono: NPLH ⁴	\$500,000
County of Mono: MHSA ⁵	\$1,800,000
Impact Fee Loan	\$218,477
Tax Credit Equity	\$26,501,777
TOTAL	\$56,806,871

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

¹California Bank & Trust

²Housing and Community Development - Infrastructure Infill Grant

³Housing and Community Development - California Housing Accelerator Tier 1 fund via the Coronavirus State Fiscal Recovery Fund

⁴County of Mono - No Place Like Home

⁵County of Mono - Mental Health Services Act

Determination of Credit Amount(s)

Requested Eligible Basis:	\$55,402,239
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$72,022,911
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,880,916
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.91991

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 project has a cost of \$690,597 per unit. The applicant has stated this is due to the payment of prevailing wages, building in a rural location with a limited subcontractor base, and a limited building season resulting in increased costs.

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).