

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

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

West Harbor Park Affordable Apartments, located at 1015 Porter Street in Vallejo, requested and is being recommended for a reservation of \$287,679 in annual federal tax credits to finance the new construction of 24 units of housing serving tenants with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by Klein Financial Corporation and will be located in Senate District 3 and Assembly District 11.

**Project Number** CA-23-612

**Project Name** West Harbor Park Affordable Apartments  
Site Address: 1015 Porter Street  
Vallejo, CA 94590  
County: Solano  
Census Tract: 2508.01

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$287,679	\$0
Recommended:	\$287,679	\$0

**Applicant Information**

Applicant: WEST HARBOR PARK AFFORDABLE PARTNERS, LP  
Contact: Alan Bogomilsky  
Address: 550 South California Avenue, Suite 330  
Palo Alto, CA 94306  
Phone: (650) 833-0100  
Email: alan@klein-financial.com

General Partner(s) or Principal Owner(s): West Harbor Park GP, LLC  
Casa Major AH LLC  
General Partner Type: Joint Venture  
Parent Company(ies): Klein Financial Corporation  
Casa Major, Inc.  
Developer: Klein Financial Corporation  
Bond Issuer: California Municipal Finance Authority  
Investor/Consultant: Klein Financial Corporation  
Management Agent: Greystar Management Services, LLC

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 3  
Total # of Units: 25  
No. / % of Low Income Units: 24 100.00%  
Federal Set-Aside Elected: 20%/50%  
Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Non-Targeted  
Geographic Area: Northern Region  
CTCAC Project Analyst: Nick White

## 55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	3	13%
50% AMI:	21	88%

### Unit Mix

16 1-Bedroom Units
9 2-Bedroom Units
<u>25 Total Units</u>

Unit Type & Number	2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
4 1 Bedroom	50%	\$1,073
3 1 Bedroom	30%	\$643
6 1 Bedroom	50%	\$1,073
3 1 Bedroom	50%	\$1,073
4 2 Bedrooms	50%	\$1,287
1 2 Bedrooms	50%	\$1,287
3 2 Bedrooms	50%	\$1,287
1 2 Bedrooms	Manager's Unit	\$0

### Project Cost Summary at Application

Land and Acquisition	\$0
Construction Costs	\$4,210,596
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$110,501
Soft Cost Contingency	\$35,451
Relocation	\$0
Architectural/Engineering	\$470,245
Const. Interest, Perm. Financing	\$472,765
Legal Fees	\$54,503
Reserves	\$79,551
Other Costs	\$1,057,382
Developer Fee	\$935,796
Commercial Costs	\$0
<b>Total</b>	<b>\$7,426,790</b>

## Residential

Construction Cost Per Square Foot:	\$268
Per Unit Cost:	\$297,072
True Cash Per Unit Cost*:	\$297,072

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Mizuho: Tax-Exempt	\$3,925,000	Mizuho: Tax-Exempt	\$3,925,000
Mizuho: Recycled Tax-Exempt	\$625,000	Mizuho: Recycled Tax-Exempt	\$625,000
Tax Credit Equity	\$2,876,790	Tax Credit Equity	\$2,876,790
		<b>TOTAL</b>	<b>\$7,426,790</b>

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

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$7,191,982
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$7,191,982
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$287,679
Approved Developer Fee (in Project Cost & Eligible Basis):	\$935,796
Investor/Consultant:	Klein Financial Corporation
Federal Tax Credit Factor:	\$1.00000

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 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-23-612 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).