

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**Tax-Exempt Bond Project**

**December 6, 2023**

The Courtyards on International, located at 10550 International Boulevard in Oakland, requested and is being recommended for a reservation of \$3,989,060 in annual federal tax credits to finance the new construction of 139 units of housing serving tenants with rents affordable to households earning 30%-70% of area median income (AMI). The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 9 and Assembly District 18.

**Project Number** CA-23-614

**Project Name** The Courtyards on International  
Site Address: 10550 International Boulevard  
Oakland, CA 94603  
County: Alameda  
Census Tract: 4104.00

| <b>Tax Credit Amounts</b> | <b>Federal/Annual</b> | <b>State/Total</b> |
|---------------------------|-----------------------|--------------------|
| Requested:                | \$3,989,060           | \$0                |
| Recommended:              | \$3,989,060           | \$0                |

**Applicant Information**

Applicant: Oakland Pacific Associates II, a California Limited Partnership  
Contact: Caleb Roope  
Address: 430 East State Street, Suite 100  
Eagle, ID 83616  
Phone: 208.461.0022  
Email: calebr@tpchousing.com

General Partner(s) or Principal Owner(s): Riverside Charitable Corporation  
TPC Holdings IX, LLC  
General Partner Type: Joint Venture  
Parent Company(ies): Riverside Charitable Corporation  
The Pacific Companies  
Developer: Pacific West Communities, Inc.  
Bond Issuer: California Municipal Finance Authority (CMFA)  
Investor/Consultant: Boston Financial  
Management Agent: ConAm Management Corporation

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 140  
No. / % of Low Income Units: 139 100.00%  
Federal Set-Aside Elected: 40%/60% Average Income  
Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Non-Targeted  
Geographic Area: East Bay Region  
CTCAC Project Analyst: Chris Saenz

**55-Year Use / Affordability**

| <b>Aggregate Targeting</b> | <b>Number of Units</b> | <b>Percentage of Affordable Units</b> |
|----------------------------|------------------------|---------------------------------------|
| 30% AMI:                   | 14                     | 10%                                   |
| 50% AMI:                   | 14                     | 10%                                   |
| 60% AMI:                   | 56                     | 40%                                   |
| 70% AMI:                   | 55                     | 40%                                   |

**Unit Mix**

|                        |
|------------------------|
| 106 1-Bedroom Units    |
| 34 2-Bedroom Units     |
| <b>140 Total Units</b> |

| <b>Unit Type &amp; Number</b> | <b>2023 Rents Targeted % of Area Median Income</b> | <b>Proposed Rent (including utilities)</b> |
|-------------------------------|--|--|
| 13 1 Bedroom                  | 30%  | \$832                                      |
| 13 1 Bedroom                  | 50%  | \$1,387                                    |
| 55 1 Bedroom                  | 60%  | \$1,665                                    |
| 25 1 Bedroom                  | 70%  | \$1,942                                    |
| 1 2 Bedrooms                  | 30%  | \$999                                      |
| 1 2 Bedrooms                  | 50%  | \$1,665                                    |
| 1 2 Bedrooms                  | 60%  | \$1,998                                    |
| 30 2 Bedrooms                 | 70%  | \$2,331                                    |
| 1 2 Bedrooms                  | Manager's Unit                                     | \$0  |

**Project Cost Summary at Application**

|                                    |                     |
|------------------------------------|---------------------|
| Land and Acquisition               | \$2,736,100         |
| Construction Costs                 | \$50,897,184        |
| Rehabilitation Costs               | \$0                 |
| Construction Hard Cost Contingency | \$3,000,000         |
| Soft Cost Contingency              | \$800,000           |
| Relocation                         | \$0                 |
| Architectural/Engineering          | \$1,610,000         |
| Const. Interest, Perm. Financing   | \$7,313,500         |
| Legal Fees                         | \$115,000           |
| Reserves                           | \$1,093,461         |
| Other Costs                        | \$3,239,508         |
| Developer Fee                      | \$9,800,000         |
| Commercial Costs                   | \$0                 |
| <b>Total</b>                       | <b>\$80,604,753</b> |

**Residential**

|                                    |           |
|------------------------------------|-----------|
| Construction Cost Per Square Foot: | \$405     |
| Per Unit Cost:                     | \$575,748 |
| True Cash Per Unit Cost*:          | \$505,748 |

| <b>Construction Financing</b>    |               | <b>Permanent Financing</b>       |                     |
|----------------------------------|---------------|----------------------------------|---------------------|
| <b>Source</b>                    | <b>Amount</b> | <b>Source</b>                    | <b>Amount</b>       |
| Citibank: Tax-Exempt             | \$43,000,000  | Citibank: Tax-Exempt             | \$20,500,000        |
| Bonneville: Tax-Exempt, Recycled | \$20,000,000  | Bonneville: Tax-Exempt, Recycled | \$20,000,000        |
| Deferred Costs                   | \$1,093,461   | Deferred Developer Fee           | \$6,600,000         |
| Deferred Developer Fee           | \$9,800,000   | Tax Credit Equity                | \$33,504,753        |
| Tax Credit Equity                | \$6,711,292   | <b>TOTAL</b>                     | <b>\$80,604,753</b> |

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

**Determination of Credit Amount(s)**

|  |                  |
|--|------------------|
| Requested Eligible Basis:                                  | \$76,712,684     |
| 130% High Cost Adjustment:                                 | Yes              |
| Applicable Fraction:                                       | 100.00%          |
| Qualified Basis:   | \$99,726,489     |
| Applicable Rate:   | 4.00%            |
| Total Maximum Annual Federal Credit:                       | \$3,989,060      |
| Approved Developer Fee (in Project Cost & Eligible Basis): | \$9,800,000      |
| Investor/Consultant:                                       | Boston Financial |
| Federal 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:**

This Project's annual per unit operating expense total is below the CTCAC published per unit operating minimums of \$7,140. As allowed by CTCAC Regulation Section 10327(g)(1), CTCAC approves an annual per unit operating expense total of \$6,092 on agreement of the permanent lender and equity investor.

**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).