CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 6, 2023

Hunt's Grove and La Pradera, located at 548 Hunt Avenue in St. Helena, and 38 Brannan Street in Calistoga, requested and is being recommended for a reservation of $1,304,785 in annual federal tax credits to finance the acquisition & rehabilitation of 102 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by BRIDGE Housing Corporation and is located in Senate District 3 and Assembly District 4.

Hunt's Grove and La Pradera is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Hunt's Grove (CA-90-159) and La Pradera (CA-92-112). See Resyndication and Resyndication Transfer Event below for additional information. The project financing includes state funding from the Loan Portfolio Restructuring (LRP) program of HCD.

Project Number CA-23-615

Project Name Hunt's Grove and La Pradera

Site Address:	Hunt's Grove 548 Hunt Avenue St. Helena, CA 94574 County: Napa Census Tract: 2016.02	La Pradera 38 Brannan Street Calistoga, CA 94515 County: Napa Census Tract: 2020.00

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,304,785	$0
Recommended:	$1,304,785	$0

Applicant Information

Applicant:	Hunt Pradera II, L.P.
Contact:	Smitha Seshadri
Address:	600 California St. Suite 900 San Francisco, CA 94108
Phone:	415-321-3516
Email:	sseshadri@bridgehousing.com

General Partner(s) or Principal Owner(s):	Hunt Pradera II, LLC
General Partner Type:	Nonprofit
Parent Company(ies):	BRIDGE Housing & Napa Valley Community Housing
Developer:	BRIDGE Housing Corporation
Bond Issuer:	California Municipal Finance Authority
Investor/Consultant:	California Housing Partnership
Management Agent:	BRIDGE Property Management Company

Project Information

Construction Type:	Acquisition & Rehabilitation	
Total # Residential Buildings:	13	
Total # of Units:	104	
No. / % of Low Income Units:	102	100.00%
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt	

Information

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

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	14	14%
35% AMI:	24	24%
50% AMI:	31	30%
60% AMI:	33	32%

Unit Mix

26	1-Bedroom Units
40	2-Bedroom Units
26	3-Bedroom Units
12	4-Bedroom Units
104	Total Units

Unit Type & Number		2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
2	1 Bedroom	30%	$751
4	1 Bedroom	50%	$1,177
6	1 Bedroom	60%	$1,177
2	2 Bedrooms	30%	$901
4	2 Bedrooms	50%	$1,452
6	2 Bedrooms	60%	$1,452
2	3 Bedrooms	30%	$821
6	3 Bedrooms	35%	$1,158
4	3 Bedrooms	60%	$1,479
2	4 Bedrooms	30%	$945
6	4 Bedrooms	35%	$1,175
1	4 Bedrooms	50%	$1,486
2	4 Bedrooms	60%	$1,678
2	1 Bedroom	30%	$633
2	1 Bedroom	35%	$838
8	1 Bedroom	50%	$1,053
2	1 Bedroom	60%	$1,206
2	2 Bedrooms	30%	$710
5	2 Bedrooms	35%	$798
11	2 Bedrooms	50%	$1,329
9	2 Bedrooms	60%	$1,449
2	3 Bedrooms	30%	$772
5	3 Bedrooms	35%	$1,115
3	3 Bedrooms	50%	$1,395
4	3 Bedrooms	60%	$1,395
1	2 Bedrooms	Manager’s Unit	$0
1	4 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application

Land and Acquisition	$18,650,000
Construction Costs	$0
Rehabilitation Costs	$7,000,000
Construction Hard Cost Contingency	$700,000
Soft Cost Contingency	$311,323
Relocation	$209,249
Architectural/Engineering	$485,000
Const. Interest, Perm. Financing	$2,682,503
Legal Fees	$132,000
Reserves	$520,947
Other Costs	$1,025,132
Developer Fee	$2,514,368
Commercial Costs	$0
Total	**$34,230,522**

Residential

Construction Cost Per Square Foot:	$70
Per Unit Cost:	$329,140
True Cash Per Unit Cost*:	$305,694

Construction Financing

Source	Amount
SVB[1] Tax-Exempt	$17,031,631
SVB[1] Recycled Bonds	$2,871,831
Seller Carryback Loan	$1,923,987
HCD LPR[2]	$5,840,685
City of Calistoga	$253,878
City of St Helena	$431,449
City of St Helena[3]	$800,000
Deferred Costs	$1,968,586
Deferred Developer Fee	$514,368
GP Equity	$1,076,889
Accrued Interest	$604,944
Tax Credit Equity	$912,273

Permanent Financing

Source	Amount
SVB[1]	$2,190,000
Seller Carryback Loan	$1,923,987
Seller Financing	$9,400,000
HCD LPR[2]	$5,840,685
City of Calistoga	$253,878
City of St Helena	$431,449
City of St Helena[3]	$800,000
Income from Operations	$397,596
Deferred Developer Fee	$514,368
GP Equity	$1,076,889
Accrued Interest	$604,944
Tax Credit Equity	$10,796,725
TOTAL	**$34,230,522**

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

[1]Silicon Valley Bank

[2]Housing and Community Development - Loan Portfolio Restructuring of existing loan under the Multifamily Housing Program

[3]City of St Helena Ground Lease

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$5,864,946
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$18,243,750
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$14,375,887
Qualified Basis (Acquisition):	$18,243,750
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$575,035
Maximum Annual Federal Credit, Acquisition:	$729,750
Total Maximum Annual Federal Credit:	$1,304,785
Approved Developer Fee in Project Cost:	$2,514,368
Approved Developer Fee in Eligible Basis:	$2,514,368
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	$0.82747

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 requested and has been granted a partial waiver to adjust the 10% mobility feature requirement under CTCAC Regulation Section 10325(f)(7)(K), which states that units with accessibility and mobility features must be distributed "to the maximum extent feasibile." Due to impracticality and financial feasibility, the project is permitted to distribute the units with accessibility and mobility features in La Pradera amongst 1, 2, and 4 bedroom units, as well as to distribute the units with accessibility and mobility features in Hunt's Grove to 1 and 2 bedroom units only. The project will still comply with CTCAC Regulation(f)(7)(K) by including 10% mobility features and 4% communication features.

Resyndication and Resyndication Transfer Event

Prior to closing, the applicant or its assignee shall obtain CTCAC's consent to assign and assume the existing Regulatory Agreements Hunt's Grove (CA-90-159) and La Pradera (CA-92-112). To be eligible for a new award of tax credits, the owner must provide documentation with the Form 8609 request (the placed in service submission) that the acquisition date and the placed in service date both occurred after the existing federal 15 year compliance period was completed. For resyndications that were originally rehabilitation and acquisition, the resyndication acquisition date cannot occur before the last rehabilitation credit year of the original credit period.

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

The newly resyndicated project shall continue to meet the rents and income targeting levels in the existing regulatory agreement(s) and any deeper targeting levels in the new regulatory agreement(s) for the duration of the new regulatory agreement(s).

Existing households determined to be income-qualified for purposes of IRC §42 credit during the 15-year compliance period are concurrently income-qualified households for purposes of the extended use agreement. As a result, any household determined to be income qualified at the time of move-in under the existing regulatory agreements Hunt's Grove (CA-90-159) and La Pradera (CA-92-112) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from the requirements under CTCAC Regulation Section 10320(b)(4)(B).

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).