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

Shadows Garden Apartments, located at 402 Turre Street in Yreka, requested and is being recommended for a reservation of $487,960 in annual federal tax credits to finance the acquisition & rehabilitation of 45 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Pacific Development Group, Inc. and is located in Senate District 1 and Assembly District 1.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number CA-23-619

Project Name Shadows Garden Apartments
Site Address: 402 Turre Street
Yreka, CA 96097
County: Siskiyou
Census Tract: 7.02

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$487,960	$0
Recommended:	$487,960	$0

Applicant Information
Applicant: Pacific Development Group, Inc.
Contact: John Bacigalupi
Address: 1820 West Kettleman Lane, Suite D
Lodi, CA 95242
Phone: 209-473-9705
Email: john@pacificdg.com

General Partner(s) or Principal Owner(s): Pacific Development Group, Inc.
Community Revitalization and Development Corporation
General Partner Type: Joint Venture
Parent Company(ies): Pacific Development Group, Inc.
Developer: Pacific Development Group, Inc.
Bond Issuer: California Statewide Communities Development Authority
Investor/Consultant: Hunt Capital Partners, LLC
Management Agent: Michaels Management

Project Information
Construction Type: Acquisition & Rehabilitation
Total # Residential Buildings: 8
Total # of Units: 46
No. / % of Low Income Units: 45 100.00%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax-Exempt / HOME / HUD Section 8 Project-based Contract (45 Units - 100%)

Information
Housing Type: Non-Targeted
Geographic Area: Northern Region
CTCAC Project Analyst: Chris Saenz

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	5	11%
40% AMI:	9	20%
50% AMI:	16	36%
60% AMI:	15	33%

Unit Mix

4	1-Bedroom Units
40	2-Bedroom Units
2	3-Bedroom Units
46	Total Units

Unit Type & Number		2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
2	1 Bedroom	40%	$585
2	1 Bedroom	50%	$701
5	2 Bedrooms	30%	$526
7	2 Bedrooms	40%	$702
14	2 Bedrooms	50%	$877
14	2 Bedrooms	60%	$1,053
1	3 Bedrooms	60%	$1,184
1	3 Bedrooms	Manager's Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$2,925,000
Construction Costs	$0
Rehabilitation Costs	$4,704,055
Construction Hard Cost Contingency	$470,406
Soft Cost Contingency	$48,500
Relocation	$229,200
Architectural/Engineering	$256,200
Const. Interest, Perm. Financing	$817,660
Legal Fees	$235,000
Reserves	$355,735
Other Costs	$278,500
Developer Fee	$1,303,250
Commercial Costs	$0
Total	**$11,623,506**

Residential

Construction Cost Per Square Foot:	$572
Per Unit Cost:	$252,685
True Cash Per Unit Cost*:	$249,866

Construction Financing

Source	Amount
Bonneville: Tax-Exempt	$5,825,372
HCD: HOME	$2,412,439
USDA: Section 515	$887,418
Deferred Costs	$355,735
Deferred Developer Fee	$1,303,250
Tax Credit Equity	$839,292

Permanent Financing

Source	Amount
Bonneville: Tax-Exempt	$1,519,967
HCD: HOME	$4,890,000
USDA: Section 515	$887,418
Deferred Developer Fee	$129,665
Tax Credit Equity	$4,196,456
TOTAL	**$11,623,506**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$7,358,086
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$2,633,500
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$9,565,512
Qualified Basis (Acquisition):	$2,633,500
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$382,620
Maximum Annual Federal Credit, Acquisition:	$105,340
Total Maximum Annual Federal Credit:	$487,960
Approved Developer Fee (in Project Cost & Eligible Basis):	$1,303,250
Investor/Consultant:	Hunt Capital Partners, LLC
Federal Tax Credit Factor:	$0.86000

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: None.

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).