

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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

San Juan Apartments by Mutual Housing, located at 5700 Stockton Boulevard in Sacramento, requested and is being recommended for a reservation of \$3,357,718 in annual federal tax credits to finance the new construction of 112 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Mutual Housing California and will be located in Senate District 8 and Assembly District 10.

Project Number CA-23-641

Project Name San Juan Apartments by Mutual Housing
Site Address: 5700 Stockton Boulevard
Sacramento, CA 95824
County: Sacramento
Census Tract: 46.03

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$3,357,718	\$0
Recommended:	\$3,357,718	\$0

Applicant Information

Applicant: Mutual Housing California
Contact: Juliana Zatz-Watkins
Address: 3321 Power Inn Road, Suite 320
Sacramento, Ca 95826
Phone: 916-453-8400
Email: Juliana@mutualhousing.com

General Partner(s) or Principal Owner(s): San Juan Mutual Housing Association LLC
General Partner Type: Nonprofit
Parent Company(ies): Mutual Housing California
Developer: Mutual Housing California
Bond Issuer: Sacramento Housing and Redevelopment Agency
Investor/Consultant: California Housing Partnership Corporation
Management Agent: Mutual Housing Management

Project Information

Construction Type: New Construction
Total # Residential Buildings: 11
Total # of Units: 113
No. / % of Low Income Units: 112 100.00%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax-Exempt / HOME

Information

Housing Type: Large Family
Geographic Area: Capital Region
CTCAC Project Analyst: Cynthia Compton

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	15	13%
40% AMI:	15	13%
50% AMI:	37	33%
60% AMI:	45	40%

Unit Mix

39 1-Bedroom Units
41 2-Bedroom Units
33 3-Bedroom Units
113 Total Units

Unit Type & Number	2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
6 1 Bedroom	30%	\$603
8 1 Bedroom	40%	\$804
11 1 Bedroom	50%	\$1,005
14 1 Bedroom	60%	\$1,206
5 2 Bedrooms	30%	\$723
5 2 Bedrooms	40%	\$965
14 2 Bedrooms	50%	\$1,206
16 2 Bedrooms	60%	\$1,447
4 3 Bedrooms	30%	\$836
2 3 Bedrooms	40%	\$1,115
12 3 Bedrooms	50%	\$1,393
15 3 Bedrooms	60%	\$1,672
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$743,000
Construction Costs	\$45,570,000
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,278,500
Soft Cost Contingency	\$275,000
Relocation	\$0
Architectural/Engineering	\$2,864,000
Const. Interest, Perm. Financing	\$6,195,997
Legal Fees	\$50,000
Reserves	\$342,565
Other Costs	\$2,996,623
Developer Fee	\$8,422,369
Commercial Costs	\$0
Total	\$69,738,054

Residential

Construction Cost Per Square Foot:	\$365
Per Unit Cost:	\$617,151
True Cash Per Unit Cost*:	\$602,109

Construction Financing

Source	Amount
East West Bank	\$34,908,011
SHRA ¹ : HOME	\$3,870,000
SHRA ¹ : Housing Trust Fund	\$9,450,000
SHRA ¹ : Affordable Housing Fund	\$5,130,000
Seller Carryback (County)	\$123,000
Seller Carryback (City)	\$545,000
Green Means Go	\$2,000,000
Impact Fee Waiver	\$1,031,761
Deferred Costs	\$2,877,895
Accrued Deferred Interest	\$966,670
Deferred Developer Fee	\$5,662,369
Tax Credit Equity	\$3,173,348

Permanent Financing

Source	Amount
East West Bank	\$6,721,000
SHRA ¹ : HOME	\$4,300,000
SHRA ¹ : Housing Trust Fund	\$12,000,000
SHRA ¹ : Affordable Housing Fund	\$5,700,000
Seller Carryback (County)	\$123,000
Seller Carryback (City)	\$545,000
Green Means Go	\$2,000,000
SMUD ² Grant	\$176,563
Impact Fee Waiver	\$1,031,761
Net Operating Income	\$400,893
Accrued Deferred Interest	\$966,670
Deferred Developer Fee	\$5,662,369
Tax Credit Equity	\$30,110,798
TOTAL	\$69,738,054

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

¹Sacramento Housing and Redevelopment Agency

²Sacramento Municipal Utility District

Determination of Credit Amount(s)

Requested Eligible Basis:	\$64,571,494
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$83,942,942
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,357,718
Approved Developer Fee (in Project Cost & Eligible Basis):	\$8,422,369
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.89676

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).