

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
December 11, 2024**

Pleasant View Apartments, located at 3555 North Pleasant Avenue in Fresno on a 3.72 acre site, requested and is being recommended for a reservation of \$1,158,372 in annual federal tax credits and \$13,900,000 of tax-exempt bond cap to finance the acquisition & rehabilitation of 60 units of housing, consisting of 59 restricted rental units and 1 unrestricted manager's unit. The project has 10 one-bedroom units, 25 two-bedroom units, 15 three-bedroom units, and 10 four-bedroom units, serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in June 2025 and be completed in June 2026. The project will be developed by American Community Developers, Inc. and is located in Senate District 14 and Assembly District 31.

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

Project Number	CA-24-617
Project Name	Pleasant View Apartments
Site Address:	3555 North Pleasant Avenue
	Fresno, CA 93705
County:	Fresno
Census Tract:	47.04

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,158,372	\$0
Recommended:	\$1,158,372	\$0

Tax-Exempt Bond Allocation	
Recommended:	\$13,900,000

CTCAC Applicant Information	
CTCAC Applicant/CDLAC Sponsor:	Pleasant View 2024 Limited Partnership
Contact:	Derek M. Skrzynski
Address:	20250 Harper Avenue
	Detroit, MI 48225
Phone:	760-448-5510
Email:	derek@acdmail.com

Bond Financing Information	
CDLAC Applicant/Bond Issuer:	California Municipal Finance Agency
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Public Sale:	Rated
Underwriter:	The Sturges Company
Rating:	AAA/VMIG1

Development Team

General Partner(s) or Principal Owner(s):	AOF Cameron Villa LLC American Community Developers, Inc.
General Partner Type:	Joint Venture
Parent Company(ies):	AOF/Pacific Affordable Housing Corp. American Community Developers, Inc.
Developer:	American Community Developers, Inc.
Investor/Consultant:	CREA
Management Agent:	Independent Management Services

Project Information

Construction Type:	Acquisition & Rehabilitation	
Total # Residential Buildings:	10	
Total # of Units:	60	
No. / % of Low Income Units:	59	100.00%
Average Targeted Affordability:	50.00%	
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Contract (60 Units - 100%) / HUD Green and Resilient Retrofit Program (GRRP) / HUD 221(d)(4)	

Information

Housing Type:	Non-Targeted
Geographic Area:	Central Valley Region
Set Aside:	N/A
CDLAC Project Analyst:	Amit Sarang
CTCAC Project Analyst:	Sopida Steinwert

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	7	12%
40% AMI:	11	19%
50% AMI:	16	27%
60% AMI:	25	42%

Unit Mix

10 1-Bedroom Units
25 2-Bedroom Units
15 3-Bedroom Units
10 4-Bedroom Units
60 Total Units

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
1 1 Bedroom	30%	\$495
2 1 Bedroom	40%	\$660
3 1 Bedroom	50%	\$825
3 1 Bedroom	60%	\$990
3 2 Bedrooms	30%	\$594
6 2 Bedrooms	40%	\$792
6 2 Bedrooms	50%	\$990
10 2 Bedrooms	60%	\$1,188
2 3 Bedrooms	30%	\$685
2 3 Bedrooms	40%	\$914
4 3 Bedrooms	50%	\$1,143
7 3 Bedrooms	60%	\$1,371
1 4 Bedrooms	30%	\$765
1 4 Bedrooms	40%	\$1,020
3 4 Bedrooms	50%	\$1,275
5 4 Bedrooms	60%	\$1,530
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$14,572,000
Construction Costs	\$0
Rehabilitation Costs	\$7,299,232
Construction Hard Cost Contingency	\$725,153
Soft Cost Contingency	\$55,000
Relocation	\$357,000
Architectural/Engineering	\$160,785
Const. Interest, Perm. Financing	\$1,666,286
Legal Fees	\$150,700
Reserves	\$441,965
Other Costs	\$193,999
Developer Fee	\$3,378,318
Commercial Costs	\$0
Total	\$29,000,438

Residential

Construction Cost Per Square Foot:	\$126
Per Unit Cost:	\$483,341
Estimated Hard Per Unit Cost:	\$105,148
True Cash Per Unit Cost*:	\$448,780
Bond Allocation Per Unit:	\$231,667
Bond Allocation Per Restricted Rental Unit:	\$235,593

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
TSC ¹ : Tax-Exempt	\$13,900,000	Berkadia: HUD 221(d)(4)	\$13,250,000
HUD: GRRP	\$3,600,000	HUD: GRRP	\$3,600,000
Tax Credit Equity	\$7,053,780	Deferred Developer Fee	\$2,073,609
		Tax Credit Equity	\$10,076,829
		TOTAL	\$29,000,438

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

¹The Sturges Company

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$10,196,238
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$15,704,201
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$13,255,109
Qualified Basis (Acquisition):	\$15,704,201
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$530,204
Maximum Annual Federal Credit, Acquisition:	\$628,168
Total Maximum Annual Federal Credit:	\$1,158,372
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,378,318
Federal Tax Credit Factor:	\$0.86991

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.

CTCAC Significant Information / Additional Conditions

The reservation of tax credits is contingent upon verification of the rental subsidy annual amount, number of units receiving assistance, term, and expiration date by the bond issuance deadline.

CDLAC Analyst Comments: 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).

Point Criteria	New Const. Max. Points	Rehabilitation Max. Points	Points Scored
Preservation and Other Rehabilitation Project Priorities	0	20	20
New Construction Density and Local Incentives	10	0	0
Exceeding Minimum Income Restrictions	20	20	20
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	0
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	0
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	110

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.

Tie Breaker: 159.119%