CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
April 8, 2025

Village Green Aparments, located at 2122 West Chestnut Street in San Bernardino on a 19.76 acre site, requested and is being recommended for a reservation of $2,633,141 in annual federal tax credits and $36,000,000 of tax-exempt bond cap to finance the acquisition & rehabilitation of 184 units of housing, consisting of 182 restricted rental units and 2 unrestricted manager's units. The project has 104 two-bedroom units, and 80 three-bedroom units, serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in August 2025 and be completed in August 2026. The project will be developed by SP Tax Credit Developer II LLC and is located in Senate District 29 and Assembly District 45.

Village Green Aparments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, (CA-99-922). See Resyndication and Resyndication Transfer Event below for additional information. The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number CA-25-432

Project Name Village Green Aparments

Site Address:	2122 West Chestnut Street San Bernardino, CA 92410
County:	San Bernardino
Census Tract:	44.03

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,633,141	$0
Recommended:	$2,633,141	$0

Tax-Exempt Bond Allocation

Recommended:	$36,000,000

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor:	Village Green Tax Credit LP
Contact:	Sean Burrowes
Address:	701 5th Avenue Seattle, WA 98104
Phone:	206-787-8481
Email:	seanb@secprop.com

Bond Financing Information

CDLAC Applicant/Bond Issuer:	CMFA
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Public Sale:	Credit Enhanced
Underwriter:	Stifel
Credit Enhancement Provider:	PNC Bank

Development Team

General Partners / Principal Owners:	Village Green Tax Credit GP LLC Las Palmas Housing & Development Corporation
General Partner Type:	Joint Venture
Parent Companies:	Security Properties Las Palmas Housing & Development Corporation
Developer:	SP Tax Credit Developer II LLC
Investor/Consultant:	Enterprise Community Partners
Management Agent:	AMC

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	38
Total # of Units:	184
No. / % of Low Income Units:	182 100.00%
Average Targeted Affordability:	55.88%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Contract (65 Units - 36%)

Information

Housing Type:	At-Risk
Geographic Area:	Inland Region
State Ceiling Pool:	Preservation
CDLAC Project Analyst:	Danielle Stevenson
CTCAC Project Analyst:	Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	19	10%
50% AMI:	18	10%
60% AMI:	145	80%

Unit Mix

104	2-Bedroom Units
80	3-Bedroom Units
184	Total Units

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
11 2 Bedrooms	30%	$691
10 2 Bedrooms	50%	$1,152
7 2 Bedrooms	60%	$1,383
21 2 Bedrooms	60%	$1,383
54 2 Bedrooms	60%	$1,383
8 3 Bedrooms	30%	$799
8 3 Bedrooms	50%	$1,332
6 3 Bedrooms	60%	$1,599
57 3 Bedrooms	60%	$1,599
1 2 Bedrooms	Manager’s Unit	$0
1 3 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$44,250,000
Construction Costs	$0
Rehabilitation Costs	$10,945,440
Construction Hard Cost Contingency	$1,088,544
Soft Cost Contingency	$0
Relocation	$846,400
Architectural/Engineering	$250,000
Const. Interest, Perm. Financing	$2,464,277
Legal Fees	$220,000
Reserves	$812,437
Other Costs	$406,044
Developer Fee	$4,347,618
Commercial Costs	$0
Total	**$65,630,760**

Residential	
Construction Cost Per Square Foot:	$61
Per Unit Cost:	$356,689
Estimated Hard Per Unit Cost:	$51,000
True Cash Per Unit Cost*:	$336,157
Bond Allocation Per Unit:	$195,652
Bond Allocation Per Restricted Rental Unit:	$197,802

Construction Financing

Source	Amount
PNC: Tax-Exempt	$36,000,000
Enterprise	$18,049,118
General Partner Loan	$3,000,000
Deferred Developer Fee	$3,777,862
Tax Credit Equity	$4,803,780

Permanent Financing

Source	Amount
PNC: Tax-Exempt	$34,034,000
General Partner Loan	$3,000,000
Net Operating Income	$800,000
Deferred Developer Fee	$3,777,862
Tax Credit Equity	$24,018,898
TOTAL	**$65,630,760**

*Less Donated Land, Seller Carryback Loans, Waived Fees, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$17,585,248
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$43,131,757
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$22,860,822
Qualified Basis (Acquisition):	$43,131,757
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$907,871
Maximum Annual Federal Credit, Acquisition:	$1,725,270
Total Maximum Annual Federal Credit:	$2,633,141
Approved Developer Fee (in Project Cost & Eligible Basis):	$4,347,618
Federal Tax Credit Factor:	$0.91218

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: None.

CDLAC Analyst Comments: None.

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 Agreement (CA-99-922). 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 agreement (CA-99-922) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

Standard Conditions

The applicant 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: 165.981%