

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

Richland Village, located at 470 Bernard Drive in Yuba City on a 4.71 acre site, requested and is being recommended for a reservation of \$2,054,800 in annual federal tax credits and \$27,919,000 of tax-exempt bond cap to finance the new construction of 133 units of housing, consisting of 132 restricted rental units and 1 unrestricted manager's unit. The project will have 66 one-bedroom units, 30 two-bedroom units, and 37 three-bedroom units, serving families with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in September 2025 and be completed in September 2027. The project will be developed by SCAH/Sage Housing Group LLC and will be located in Senate District 1 and Assembly District 3.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Infill Infrastructure Grant (IIG) and Affordable Housing and Sustainable Communities (AHSC) programs of HCD.

Project Number CA-25-472

Project Name Richland Village
Site Address: 470 Bernard Drive
Yuba City, CA 95991
County: Sutter
Census Tract: 503.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,054,800	\$0
Recommended:	\$2,054,800	\$0

Tax-Exempt Bond Allocation
Recommended: \$27,919,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Richland Village LP
Contact: Gustavo Becerra
Address: 1445 Butte House Road
Yuba City, CA 95993
Phone: 530-671-0220
Email: g.becerra@regionalha.org

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, N.A.

Development Team

General Partners / Principal Owners:	Richland Village-SCAH, LLC SHG Richland LLC
General Partner Type:	Joint Venture
Parent Companies:	Sutter Community Affordable Housing Sage Housing Group LLC
Developer:	SCAH/Sage Housing Group LLC
Investor/Consultant:	Enterprise Housing Credit Investments
Management Agent:	John Stewart Company

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	6
Total # of Units:	133
No. / % of Low Income Units:	132 100.00%
Average Targeted Affordability:	47.88%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt

Information

Housing Type:	Large Family
Geographic Area:	Northern Region
State Ceiling Pool:	New Construction
Set Aside:	Extremely Low/Very Low Income Set Aside
CDLAC Project Analyst:	Stefanie McDaniels
CTCAC Project Analyst:	Gloria Witherow

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	32	24%
50% AMI:	64	48%
60% AMI:	36	27%

Unit Mix

66	1-Bedroom Units
30	2-Bedroom Units
37	3-Bedroom Units
133	Total Units

Unit Type & Number		2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
6	1 Bedroom	30%	\$495
10	1 Bedroom	30%	\$495
32	1 Bedroom	50%	\$825
18	1 Bedroom	60%	\$990
3	2 Bedrooms	30%	\$594
5	2 Bedrooms	30%	\$594
16	2 Bedrooms	50%	\$990
6	2 Bedrooms	60%	\$1,188
3	3 Bedrooms	30%	\$685
5	3 Bedrooms	30%	\$685
16	3 Bedrooms	50%	\$1,143
12	3 Bedrooms	60%	\$1,371
1	3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,320,000
Construction Costs	\$34,961,759
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,748,088
Soft Cost Contingency	\$320,224
Relocation	\$300,622
Architectural/Engineering	\$785,000
Const. Interest, Perm. Financing	\$4,827,905
Legal Fees	\$210,000
Reserves	\$815,860
Other Costs	\$4,744,242
Developer Fee	\$6,700,000
Commercial Costs	\$0
Total	\$57,733,700

Residential

Construction Cost Per Square Foot:	\$362
Per Unit Cost:	\$434,088
Estimated Hard Per Unit Cost:	\$232,678
True Cash Per Unit Cost*:	\$387,215
Bond Allocation Per Unit:	\$209,917
Bond Allocation Per Restricted Rental Unit:	\$211,508

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank: Tax-Exempt	\$27,919,000	Citibank: Tax-Exempt	\$4,400,000
Citibank: Taxable	\$4,400,000	Seller Carryback	\$2,320,000
Seller Carryback	\$2,320,000	County of Sutter	\$344,354
County of Sutter	\$344,354	HCD: AHSC AHD ¹	\$17,425,000
HCD: AHSC HRI ²	\$3,000,000	HCD: AHSC HRI ²	\$3,000,000
HCD: IIG	\$7,500,000	HCD: IIG	\$7,500,000
Regional Housing Authority	\$1,200,000	Regional Housing Authority	\$1,200,000
Regional Housing Authority	\$1,000,000	Regional Housing Authority	\$1,000,000
YCUSD ³	\$181,579	YCUSD ³	\$181,579
Deferred Developer Fee	\$7,401,466	Deferred Developer Fee	\$3,914,092
Tax Credit Equity	\$2,467,301	Tax Credit Equity	\$16,448,675
		TOTAL	\$57,733,700

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

¹Affordable Housing Development

²Housing-Related Infrastructure

³Yuba City Unified School District

Determination of Credit Amount(s)

Requested Eligible Basis:	\$51,370,005
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$51,370,005
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,054,800
Approved Developer Fee (in Project Cost & Eligible Basis):	\$6,700,000
Federal Tax Credit Factor:	\$0.80050

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: None.

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	0
New Construction Density and Local Incentives	10	0	10
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	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	9
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	119

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: 134.460%