

# CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

## Project Staff Report

2025 First Round

June 18, 2025

Orchard View Apartments II, located at 1445 State Highway 99 in Gridley, requested and is being recommended for a reservation of \$563,648 in annual federal tax credits to finance the new construction of 36 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 1 and Assembly District 3.

**Project Number** CA-25-032

**Project Name** Orchard View Apartments II  
**Site Address:** 1445 State Highway 99  
Gridley, CA 95948  
**County:** Butte  
**Census Tract:** 35.02

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$563,648	\$0
Recommended:	\$563,648	\$0

### Applicant Information

**Applicant:** Gridley Orchard Associates II, a California Limited Partnership  
**Contact:** Caleb Roope  
**Address:** 430 East State Street, Suite 100  
Eagle, ID 83616  
**Phone:** 208.461.0022  
**Email:** calebr@tpchousing.com

**General Partners / Principal Owners:** TPC Holdings IX, LLC  
Butte County Affordable Housing Development Corporation  
**General Partner Type:** Joint Venture  
**Parent Companies:** The Pacific Companies  
Housing Authority of the County of Butte  
**Developer:** Pacific West Communities, Inc.  
**Investor/Consultant:** Boston Financial  
**Management Agents:** Cambridge Real Estate Services

### Project Information

**Construction Type:** New Construction  
**Total # Residential Buildings:** 3  
**Total # of Units:** 36  
**No. & % of Tax Credit Units:** 36 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** HOME / Community Development Block Grant - Disaster Recovery (CDBG-DR)

**Information**

Set-Aside: Rural  
Housing Type: Large Family  
Geographic Area: N/A  
CTCAC Project Analyst: Chris Saenz

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percent of Required Affordable Units</b>
At or Below 30% AMI:	19	50%
At or Below 60% AMI:	17	45%

**Unit Mix**

24	2-Bedroom Units
12	3-Bedroom Units
36	Total Units

<b>Unit Type &amp; Number</b>	<b>2024 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
13 2 Bedrooms	30%	\$612
11 2 Bedrooms	60%	\$1,225
6 3 Bedrooms	30%	\$707
6 3 Bedrooms	60%	\$1,415

**Project Cost Summary at Application**

Land and Acquisition	\$555,000
Construction Costs	\$11,787,781
Rehabilitation Costs	\$0
Construction Contingency	\$840,000
Relocation	\$0
Architectural/Engineering	\$625,000
Const. Interest, Perm. Financing	\$543,200
Legal Fees	\$80,000
Reserves	\$237,192
Other Costs	\$1,625,346
Developer Fee	\$2,299,924
Commercial Costs	\$0
<b>Total</b>	<b>\$18,593,443</b>

**Residential**

Construction Cost Per Square Foot:	\$379
Per Unit Cost:	\$516,485
True Cash Per Unit Cost*:	\$516,485

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
California Bank & Trust	\$4,819,563	California Bank & Trust	\$1,900,000
City of Gridley: HOME	\$8,931,935	City of Gridley: HOME	\$9,924,372
CDBG-DR	\$1,831,412	CDBG-DR	\$2,034,902
Deferred Costs	\$237,192	Tax Credit Equity	\$4,734,170
Deferred Developer Fee	\$2,299,924	<b>TOTAL</b>	<b>\$18,593,443</b>
Tax Credit Equity	\$473,417		

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$6,262,756
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$6,262,756
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$563,648
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,299,924
Federal Tax Credit Factor:	\$0.83992

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

**Tie-Breaker Information**

First:	<b>Large Family</b>
Self-Score Final:	<b>97.479%</b>
CTCAC Final:	<b>97.479%</b>

**Significant Information / Additional Conditions:** None.

This project is Phase II of Orchard View Apartments, Phase I (CA-22-047). Both phases will be managed by an onsite property manager located in Phase I and share community facilities. Prior to the start of construction, all necessary agreements shall be in place to ensure that Phase II has sufficient property management and access to the required community spaces. The Joint Use Agreement shall be provided in the placed in service submission.

**Resyndication and Resyndication Transfer Event:** None.**Local Reviewing Agency**

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

**Standard Conditions**

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within ½ mile of transit station or public bus stop	3	3	3
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ¼ mile of a public elementary school	3	3	3
Within ½ mile of medical clinic or hospital	3	3	3
Within ½ mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
State Credit Substitution	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**Please Note:** If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

**DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.**