

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
December 10, 2025**

Lone Oak Senior Apartments II, located at 10528 Broken Oak Court in Penn Valley on a 2.42 acre site, requested and is being recommended for a reservation of \$543,123 in annual federal tax credits and \$5,000,000 of tax-exempt bond cap to finance the new construction of 31 units of housing, consisting of 31 restricted rental units. The project will have 25 one-bedroom units, and 6 two-bedroom units, serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in May 2026 and be completed in November 2027. The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 1 and Assembly District 1.

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

Project Number CA-25-711

Project Name Lone Oak Senior Apartments II
Site Address: 10528 Broken Oak Court
Penn Valley, CA 95946
County: Nevada
Census Tract: 0004.04

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$543,123	\$0
Recommended:	\$543,123	\$0

Tax-Exempt Bond Allocation
Recommended: \$5,000,000

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor: Penn Valley Pacific 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

Bond Financing Information

CDLAC Applicant/Bond Issuer: California Municipal Finance Authority (CMFA)
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: California Bank & Trust

Development Team

General Partners / Principal Owners: Building Better Partnerships, Inc.
 TPC Holdings IX, LLC
 General Partner Type: Joint Venture
 Parent Companies: Building Better Partnerships, Inc.
 The Pacific Companies
 Developer: Pacific West Communities, Inc.
 Investor/Consultant: Boston Financial
 Management Agent: Cambridge Real Estate Services

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 31
 No. / % of Low Income Units: 31 100.00%
 Average Targeted Affordability: 44.52%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers
 (10 Units - 32%) / HOME / Community Development Block
 Grant - Disaster Recovery (CDBG-DR)

Information

Housing Type: Seniors
 Geographic Area: N/A
 State Ceiling Pool: Rural
 CDLAC Project Analyst: Daisy Andrade
 CTCAC Project Analyst: Jacob Couch

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	16	52%
60% AMI:	15	48%

Unit Mix

25	1-Bedroom Units
6	2-Bedroom Units
31	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 1 Bedroom	30%	\$640
9 1 Bedroom	30%	\$640
10 1 Bedroom	60%	\$1,280
1 2 Bedrooms	30%	\$768
3 2 Bedrooms	60%	\$1,536
2 2 Bedrooms	60%	\$1,536

Project Cost Summary at Application

Land and Acquisition	\$587,000
Construction Costs	\$12,196,728
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$800,000
Soft Cost Contingency	\$400,000
Relocation	\$0
Architectural/Engineering	\$615,000
Const. Interest, Perm. Financing	\$904,500
Legal Fees	\$160,000
Reserves	\$319,126
Other Costs	\$994,724
Developer Fee	\$2,398,000
Commercial Costs	\$0
Total	\$19,375,078

Residential

Construction Cost Per Square Foot:	\$365
Per Unit Cost:	\$625,003
Estimated Hard Per Unit Cost:	\$340,301
True Cash Per Unit Cost*:	\$625,003
Bond Allocation Per Unit:	\$161,290
Bond Allocation Per Restricted Rental Unit:	\$161,290

Construction Financing

Source	Amount
California B&T ¹ : Tax-Exempt	\$5,000,000
California B&T ¹ : Taxable	\$1,637,720
Nevada County: HOME	\$9,607,500
Deferred Costs	\$319,126
Deferred Developer Fee	\$2,398,000
Tax Credit Equity	\$412,732

Permanent Financing

Source	Amount
California B&T ¹ : Tax-Exempt	\$1,900,000
Nevada County: HOME	\$10,675,000
Nevada County: CDBG-DR	\$366,628
Nevada County: WNCRHTF ²	\$2,306,128
Tax Credit Equity	\$4,127,322
TOTAL	\$19,375,078

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

¹California Bank and Trust

²Western Nevada County Regional Housing Trust Fund

Determination of Credit Amount(s)

Requested Eligible Basis:	\$10,444,668
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$13,578,068
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$543,123
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,398,000
Federal Tax Credit Factor:	\$0.75992

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

This project is Phase II of Lone Oak Senior Apartments (CA-19-125). Both phases will be managed by an onsite property manager located in Phase I and share community facilities and services. 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 and services free of charge. The Reciprocal Maintenance and Use Agreement shall be included in the placed in service submission.

Projects with funding and/or subsidy(ies) from HUD are required to use Utility Allowances (UAs) approved by HUD. The applicant has proposed to use the Utility Allowances approved by the Public Housing Authority for the 10 units with Project-based Vouchers and CUAC for all remaining units.

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 25% 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	0
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: 131.780%