CTCAC

Monday, December 21, 2020

11:15 am or Upon adjournment of the CDLAC meeting

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

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Sacramento, CA 95814
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www.treasurer.ca.gov/ctcac

MEETING NOTICE

MEETING DATE:	**December 21, 2020**
TIME:	**Upon adjournment of the CDLAC meeting or 11:15 am**
LOCATION:	**State Treasurer's Office** **915 Capitol Mall, Room 587** **Sacramento, CA 95814**

*****Via Phone:***	**(888) 557-8511**	**Participant Code:** 5651115
*****Via Zoom:***	**Meeting ID**: 871 6682 3814	**Passcode:** 199276

AGENDA

1. Roll Call

Action Item: 2. Approval of the Minutes of the December 9, 2020 Meeting

3. Executive Director's Report

Action Item: 4. Discussion and Consideration of a Resolution to Adopt a Proposed TCAC/HCD Opportunity Area Map for 2021

Action Item: 5. Discussion and Consideration of a Resolution to Adopt Proposed Regulations, Title 4 of the California Code of Regulations, Sections 10302 through 10337, Revising Allocation and Other Procedures

Action Item: 6. Discussion and Consideration of the 2020 Applications for Reservation of Federal Four Percent (4%) Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects

Project Number	Project Name
CA-20-660	Ambassador Ritz
CA-20-669	Steinbeck Common

Action Item: 7. Discussion and Consideration of Additional 2020 Applications for Reservation of Federal Four Percent (4%) Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects*

Project Number	Project Name	Project Number	Project Name
CA-20-661	Monroe Street Apartments	CA-20-702	Las Coronas
CA-20-662	Sango Court	CA-20-707	Baywood Apartments
CA-20-663	Willow Greenridge	CA-20-708	Thatcher Yard Housing
CA-20-665	Terracina at Lancaster	CA-20-709	4840 Mission Street
CA-20-666	The Hilarita	CA-20-710	Throughline Apartments
CA-20-667	Plymouth Place	CA-20-711	San Cristina
CA-20-670	Rose Hill Courts Phase I	CA-20-712	Northlake Senior Apartments
CA-20-671	Bidwell Place Apartments	CA-20-713	Villa Ciolino Apartments
CA-20-672	Centertown Apartments	CA-20-715	Sacramento Manor Apartments
CA-20-673	Towne Square Apartments	CA-20-716	Pony Express Senior Apartments
CA-20-674	Plummer Village	CA-20-719	West San Carlos Residential
CA-20-676	Barrett Terrace Apartments	CA-20-720	San Martin de Porres Apartments
CA-20-677	Blake Apartments	CA-20-721	La Guadalupe
CA-20-678	Pointe on La Brea	CA-20-722	Bell Street Gardens
CA-20-680	Solaris Apartments	CA-20-731	Blossom Hill Senior Apartments
CA-20-681	Summertree Apartments	CA-20-732	Cathedral Plaza
CA-20-682	Spring-Encino Apartments	CA-20-733	Residency at the Mayer Hollywood
CA-20-687	Redwood Gardens Apartments	CA-20-735	Mississippi ECB
CA-20-688	Harriet Tubman Terrace	CA-20-736	Miraflores Homes
CA-20-689	Scattered Sites - Santa Barbara	CA-20-737	Balboa Park Upper Yard
CA-20-692	Fruitvale Transit Village IIB	CA-20-738	Mercado Apartments
CA-20-695	11010 Santa Monica Boulevard	CA-20-740	Perris Sterling Villas
CA-20-696	Immanuel-Sobrato Community	CA-20-741	6th and San Julian
CA-20-699	Yosemite Folsom Dore	CA-20-742	Central Plaza Apartments
CA-20-700	Depot Willows	CA-20-743	Thompson Park Apartments
CA-20-701	Portola Senior		

*As of the date of this agenda, the staff reviews for the above-listed projects are in process and incomplete, and contingent on a CDLAC bond allocation. Any projects that do not have completed reviews by December 20, 2020 will not be recommended to the Committee.

Action Item: 8. Discussion and Consideration of Additional 2020 Applications for Reservation of Federal Four Percent (4%) and State Farmworker Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects*

Project Number	Project Name
CA-20-717	Kristine II

*As of the date of this agenda, the staff reviews for the above-listed projects are in process and incomplete, and contingent on a CDLAC bond allocation. Any projects that do not have completed reviews by December 20, 2020 will not be recommended to the Committee.

Action Item: 9. Discussion and Consideration of Additional 2020 Applications for Reservation of Federal Four Percent (4%) and State Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects*

Project Number	Project Name
CA-20-727	Pasadena Studios

*As of the date of this agenda, the staff reviews for the above-listed projects are in process and incomplete, and contingent on a CDLAC bond allocation. Any projects that do not have completed reviews by December 20, 2020 will not be recommended to the Committee.

Action Item: 10. Discussion and Consideration of the 2020 Second Round Applications for Reservation of Federal Four Percent (4%) and State Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects.

Project Number	Project Name
CA-20-911	West Carson Villas

11. Presentation on HCD's Disaster Recovery Action Plan

12. Public Comment

13. Adjournment

There will be an opportunity for public comment at the end of each item, prior to any action.

Note: Agenda items may be taken out of order.

FOR ADDITIONAL INFORMATION
Judith Blackwell, Executive Director, CTCAC
915 Capitol Mall, Room 485, Sacramento, CA 95814
(916) 654-6340

This notice may also be found on the following Internet site:
www.treasurer.ca.gov/ctcac

** Interested members of the public may use this number to call in to listen to and/or comment on items before the California Tax Credit Allocation Committee. Additional instructions will be provided to callers once they call the indicated number. This call-in number is provided as an option for public participation but the Committee is not responsible for unforeseen technical difficulties that may occur. The Committee is under no obligation to postpone or delay its meeting in the event such technical difficulties occur during or before the meeting.

The California Tax Credit Allocation Committee (CTCAC) complies with the Americans with Disabilities Act (ADA) by ensuring that the facilities are accessible to persons with disabilities, and providing this notice and information given to the members of the CTCAC in appropriate alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, you may contact Sertan Usanmaz of the CTCAC no later than five calendar days before the meeting at (916) 654-6340 and Telecommunication Device for the Deaf (TDD) at (916) 654-9922.

AGENDA ITEM 2

Approval of the Minutes of the
December 9, 2020 Meeting

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Minutes of the December 9, 2020 Meeting

1. **Roll Call.**

   State Treasurer Fiona Ma chaired the meeting of the California Tax Credit Allocation Committee (CTCAC). Treasurer Ma called the meeting to order at 1:41 p.m. Also, present Anthony Sertich for State Controller Betty Yee; Gayle Miller for Department of Finance (DOF) Director Keely Martin Bosler; California Housing Finance Agency (CalHFA) Executive Director Tia Boatman Patterson and California Department of Housing and Community Development (HCD) Director Gustavo Velasquez

   City Representative Vivian Moreno was absent.

2. **Approval of the Minutes of the November 18, 2020 Meeting.**

   MOTION: Ms. Miller moved to approve the November 18, 2020 Meeting Minutes. Mr. Velasquez seconded, and the motion passed unanimously via a roll call vote.

3. **Executive Director's Report.**

   Executive Director, Judith Blackwell opted to pass on the Executive Director's Report.

4. **Discussion and Consideration of the 2020 Applications for Reservation of Federal Four Percent (4%) Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects.**

   Development Section Chief, Gina Ferguson stated that two projects were removed from staff's recommendation since they were no longer on the California Debt Limit Allocation Committee's (CDLAC) recommended list. She stated staff was recommending the entire list of applications with exception of Barrett Terrace (CA-20-676) and Throughline Apartments (CA-20-710) for the reasons stated previously.

   Cherene Sandidge provided public comment and asked why the two projects were removed.

   Ms. Ferguson explained that the projects were on an earlier version of CDLAC's final recommendation list for bond allocations. She stated these projects were replaced by two other projects.

   Ms. Miller explained that CTCAC cannot award tax credits to projects not receiving a bond allocation from CDLAC. She stated these projects could be brought back to the December 21st CDLAC meeting. Ms. Miller asked Ms. Ferguson if these projects could also be included on the December 21st CTCAC meeting.

Ms. Ferguson stated CTCAC could include these projects on the TCAC meeting notice if that is the Committee's wish.

Treasurer Ma asked that the applicant to write a CDLAC appeal letter addressed to Judith Blackwell so that the project for consideration at the next CDLAC meeting.

Susan Guarino asked a question for the CDLAC meeting and asked if CDLAC has any plans for an allocation to fund the Mortgage Credit Certificate (MCC) program.

Treasurer Ma stated the decision will probably be made in January.

Bo Han, with the Throughline Apartments (CA-20-710) project stated that the project was on the initial CDLAC recommendation list, but the project fell off on the revised list. She requested that the Committee not strike the project since there is a possibility the project could be awarded bonds at the next CDLAC meeting.

Treasurer Ma asked that the applicant to write a CDLAC appeal letter addressed to Judith Blackwell so that the project for consideration at the next CDLAC meeting.

Ms. Blackwell believed the two projects were removed because some projects were mistakenly put in the Other Affordable Pool rather than the Preservation Pool. She stated that when those projects were put in the Preservation Pool, the two projects were removed. Ms. Blackwell stated that she would get clarification for the next CDLAC meeting.

Mr. Sertich stated CTCAC would be awarding any projects at the December 21st meeting receiving a bond allocation so there is no need for an appeal on this. He explained that following any bond allocations at the CDLAC meeting, the projects would receive tax credit reservations at the CTCAC meeting as well.

Mr. Velasquez agreed.

Ms. Han stated that her project applied under the Other Affordable Pool, but put into the Preservation Pool and did not receive a bond allocation.

General Counsel, Spencer Walker stated that if the project did not receive a bond allocation, the projects do not need to go on the next meeting's agenda since there is nothing to appeal.

Treasurer Ma agreed with Mr. Walker and stated that since there is an additional $563 million in bonds, if the projects receive bond allocations, they would automatically receive a reservation of tax credits from CTCAC so an appeal would not be necessary. She summarized the discussion and noted it is still possible for these projects to receive a bond allocation and a reservation of tax credits at next meeting.

MOTION: Ms. Miller moved to approved to approve the recommended projects with the exception of the Barrett Terrace (CA-20-676) and Throughline Apartments (CA-20-710). Mr. Sertich seconded, and the motion passed unanimously via a roll call vote.

5. **Public Comment.**

None.

6. **Adjournment.**

Treasurer Ma adjourned the meeting at 1:53 p.m.

AGENDA ITEM 3

Executive Director's Report

AGENDA ITEM 4

Discussion and Consideration of a Resolution
to Adopt a Proposed TCAC/HCD
Opportunity Area Map for 2021

The Map is available on the TCAC website:
https://www.treasurer.ca.gov/ctcac/
opportunity.asp

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DATE: December 7, 2020

TO: California Tax Credit Allocation Committee (TCAC) and California Department of Housing and Community Development (HCD) Stakeholders

FROM: Judith Blackwell, Executive Director (TCAC) and Tyrone Buckley, Assistant Deputy Director of Fair Housing (HCD)

RE: Response to Comments on Draft 2021 TCAC/HCD Opportunity Map

TCAC and HCD convened the California Fair Housing Task Force ("Task Force") in 2017 to create the TCAC/HCD Opportunity Map in order to identify areas across the state whose characteristics have been shown by research to support positive economic, educational, and health outcomes for low-income families—particularly long-term outcomes for children. TCAC and HCD use the map to inform policies aimed at increasing access to opportunity-rich areas for families with children in housing financed with Low Income Housing Tax Credits and other state funding programs, in light of historical concentrations of this housing in areas characterized by limited resources, high poverty rates, and racial segregation. TCAC and HCD work with the Task Force to update the map each year based on newly available data and a review of the methodology.

TCAC and HCD appreciate the feedback provided through comment letters on the proposed 2021 TCAC/HCD Opportunity Map. In consultation with the Task Force, TCAC and HCD offer the responses below. Please note that comments that did not relate to the methodology but to TCAC's regulations are not addressed here. After reviewing and considering these comments, TCAC and HCD will proceed with the changes initially proposed to the 2021 TCAC/HCD Opportunity Map. However, multiple issues raised in comment letters will be considered as part of the next year's map update.

Minor methodological adjustments to explore in the 2022 map update

Multiple letters proposed excluding areas from consideration if they are located within a very high or high fire hazard severity zone or if they overlap with university and college campuses. The Task Force explored possible data sources and approaches for addressing these comments and determined that further analysis and consultation with experts and relevant stakeholders would be required in order to ensure such changes would be accurately and effectively targeted, and to avoid risking removing areas that should continue to be considered in the opportunity map. These issues will thus be explored as part of the 2022 map update.

Structural issues to explore in the 2022 map update

Multiple letters referenced broader issues regarding how the TCAC/HCD Opportunity Map is constructed, the constituencies allowed access to participate in the annual methodology update, and the intent of the policies and programs that reference and utilize the map. TCAC and HCD appreciate these comments and welcome the opportunity to review the map's construction, clarify goals, and decide whether any change is needed as more uses of the map emerge. We will create a process, in partnership with the Task Force, to review these issues with external stakeholders early in the calendar year so that any substantive or process changes made as a result can be incorporated into the 2022 map update.

Methodological clarifications

Several areas of the TCAC/HCD Opportunity Map methodology warrant clarification based on comments received.[1]

- **Proximity to Jobs** - Proximity to jobs is included as an indicator in the economic domain of the opportunity index in order to help ensure that families in affordable housing live within a reasonable commute of a job center. The measure for this indicator is proximity to jobs filled by workers without a college degree within a typical commuting distance for a low-wage worker in the region.

- **Proximity to High and Highest Resource Areas** - Proximity of a given neighborhood to High Resource or Highest Resource areas is not considered because research has demonstrated that neighborhood effects on children are hyper-local; characteristics within a half-mile of a child's home drive nearly all of the association between neighborhoods and long-term outcomes, and characteristics of areas beyond that radius have little predictive power on those outcomes.[2]

- **Shifting Opportunity Categories** - Tracts and rural block groups may shift opportunity categories during annual map updates for multiple reasons, including changes in their

[1] One letter had been previously submitted in response to the draft 2020 TCAC/HCD Opportunity Map; the response to comments memo for that version of the map addresses each of the comments raised in this letter.
[2] Chetty, R., Friedman, J., Hendren, N., Jones, Maggie R., Porter, Sonya R. (2018). *The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility*. NBER Working Paper No. 25147. October. Website: https://opportunityinsights.org/paper/the-opportunity-atlas/

underlying data, changes in other parts of the region or rural county against which they are compared (i.e., even if conditions in a particular tract have not changed, if other tracts have experienced significant changes that may shift a given tract's relative scoring), and changes in the mapping methodology. To provide certainty to developers who do not have the benefit of knowing whether tracts or rural block groups may change categories in future map updates, TCAC allows applicants to use the map category in effect when initial site control is obtained up to seven calendar years prior to application.

- **High Segregation & Poverty Filter** - The High Segregation & Poverty filter is included in the TCAC/HCD Opportunity Map in order to help state agencies advance the affirmatively furthering fair housing and racial equity goals by helping avoid investment patterns which may perpetuate existing patterns of segregation and concentrated poverty, as well as to help target place-based investments.[3] No current TCAC or HCD funding policies specifically reference these areas.

  The filter, which is constructed as a California version of the federal Racially or Ethnically Concentrated Areas of Poverty (R/ECAP)[4] definition that is more adaptive to demographic patterns in each region of the state. The filter is the only part of the mapping methodology that explicitly factors in race; race is not considered as a variable in the general opportunity index, which focuses instead on economic, educational, and environmental metrics research has established as meaningful determinants of neighborhood opportunity.

- **Moderate Resource (Rapidly Changing) Areas** - The purpose of the Moderate Resource (Rapidly Changing) category is to identify areas which may soon become High Resource based on recent trends. Requiring areas to have experienced rapid changes in key dimensions of opportunity ensures they are already on an upward trajectory; an approach which attempts to anticipate future change based on current or future patterns of investments without regard to recent trends would offer no such assurance. Further, the Task Force is not aware of evidence showing that certain types or levels of investment in jobs and housing are likely to increase the level of opportunity for low-income families in the near term. If a Low or Moderate Resource area experiencing large investments eventually undergoes rapid positive change with a respect to opportunity for low-income families in future years, application of the methodology should—in the future—identify it as Moderate Resource (Rapidly Changing), if not High or Highest Resource. However, as noted in the October 21 memo accompanying the released of the draft 2021 TCAC/HCD Opportunity Map, TCAC and HCD intend to work with the Task Force to refine this methodology based on further evaluation of its efficacy at predicting future trends as part of the 2022 map update.

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[3] New citations on the harms of racial segregation, both independently and in combination with concentrated poverty, are included on page 14 of the methodology for the TCAC/HCD Opportunity Map available on the TCAC website: https://www.treasurer.ca.gov/ctcac/opportunity.asp

[4] U.S. Department of Housing and Urban Development, 2020. Racial or Ethnically Concentrated Areas of Poverty data portal: https://hudgis-hud.opendata.arcgis.com/datasets/56de4edea8264fe5a344da9811ef5d6e_0?geometry=-122.718%2C37.848%2C-121.818%2C38.037

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
RESOLUTION NO. 20/21-04
December 21, 2020

RESOLUTION ADOPTING A TCAC/HCD OPPORTUNITY AREA MAP FOR 2021

WHEREAS, the California Tax Credit Allocation Committee ("Committee") regulations provide site amenity points, a threshold basis limit increase, and a tiebreaker bonus for qualified projects designated on the TCAC/HCD Opportunity Area Map as Highest or High Resource; and,

WHEREAS, in accordance with the Committee Regulations, Section 10302(vv), the Committee approves a map or series of maps annually; and,

NOW, THEREFORE, BE IT RESOLVED, that

Section 1. The Committee orders the adoption of the TCAC/HCD Opportunity Area Map for 2021.

Section 2. This Resolution shall take effect immediately upon its adoption.

Attest: ______________________________
Chairperson

Date of Adoption: December 21, 2020

AGENDA ITEM 5

Discussion and Consideration of a Resolution to Adopt Proposed Regulations, Title 4 of the California Code of Regulations, Sections 10302 through 10337, Revising Allocation and Other Procedures

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DATE: December 11, 2020

TO: Low Income Housing Tax Credit Stakeholders

FROM: Judith Blackwell, Executive Director

RE: Final Proposed Regulation Changes and Responses to Comments

On October 29, 2020, the California Tax Credit Allocation Committee ("TCAC" or the "Committee") released proposed regulation changes. TCAC staff subsequently held a public hearing in Sacramento and virtually through Zoom on November 10, 2020.

TCAC accepted written comments on these initial proposed regulation changes through Friday, November 20, 2020. Numerous individuals, organizations, and groups formally commented on the proposed regulation changes in both oral and written form. TCAC staff carefully considered all comments received and has finalized the recommendations to the Committee for consideration and adoption on Monday, December 21, 2020.

This memo includes the final proposed regulation changes, staff's responses to comments including explanations to any proposed revisions to the initially proposed changes, which are highlighted in yellow. TCAC will publish a matrix summarizing the public comments in a subsequent document.

The memo also includes one additional regulation change to Section 10327(c)(6)(A) on Page 81 to align with the California Debt Limit Allocation Committee ("CDLAC") propose scoring system.

Proposed Regulation Changes, Comments Received, and Responses to Comments
December 11, 2020

Section 10302(a)

Initial Proposed Change:

a) Adaptive reuse. Adaptive reuse means retrofitting and repurposing of existing buildings that create new residential rental units, and expressly excludes any project that involves rehabilitation of any construction affecting existing residential rental units. Adaptive reuse may include retrofitting and repurposing of existing hotels or motels if the hotel or motel is not a place of residence for the current occupants.

[section renumbering continues through the end of 10302]

Comments Received: Several commenters requested that the proposed change be modified to allow past conversions of hotels and motels to residential rental units (going back 10-15 years) be considered adaptive reuse, for the purpose of benefitting from the new construction and adaptive reuse tie breaker size factor. Commenters also requested that conversions currently being done through the Project Homekey program be considered adaptive reuse. One commenter suggested a technical change to clarify that the temporary occupants living in those motels or hotels as a place of last resort not be penalized or evicted in order for a site to qualify as adaptive reuse.

Response to Comments: TCAC staff believes that existing residential housing that was formerly a hotel or motel 10 years ago is not an adaptive reuse. Staff understands that the recently established Project Homekey program is converting hotels and motels into permanent housing, including with the use of low-income housing tax credits. Staff proposes to amend the change to allow Project Homekey projects and include the suggested technical change.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes.

a) Adaptive reuse. Adaptive reuse means retrofitting and repurposing of existing buildings that create new residential rental units, and expressly excludes any project that involves rehabilitation of any construction affecting existing residential rental units. Adaptive reuse may include retrofitting and repurposing of existing hotels or motels if the hotel or motel is not currently a place of residence for the ~~current~~ occupants, and/or sites that have received a Project Homekey allocation.

Section 10302(e)

Initial Proposed Change:

e) Bedroom. A bedroom be at least 70 square feet, must include an interior door, a window or an exterior door, a closet, and at least one receptacle outlet.

[section renumbering follows]

Comments Received: Two comments opposed the requirement of an exterior door or window, stating that building codes permit this design and it is used in the construction of high-density, urban buildings. One commenter requested to continue the use of a free-standing wardrobe in place of a framed closet to allow more design flexibility.

Response to Comments: Based on the comments received, staff has revised the proposed definition.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes

e) Bedroom. A bedroom be at least 70 square feet, must include an interior door, ~~a window or an exterior door,~~ a closet or free-standing wardrobe provided by the project owner, and at least one receptacle outlet.

Section 10302(f)

Initial Proposed Change:

f) Bath or bathroom. A bath or bathroom must be and must be equipped with an exhaust fan, a toilet, a sink, a shower or bathtub, and a receptacle outlet.

[section renumbering follows]

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10302(l)

Initial Proposed Change:

~~l~~o) Developer Fee. All Funds paid at any time as compensation for developing the proposed project, to include all development consultant fees, processing agent fees, developer overhead and profit, construction management oversight fees if provided by the developer, personal guarantee fees, syndicator consulting fees, and reserves in excess of those customarily required by multi-family housing lenders. Development consultant fees include but are not limited to: financial modeling or consulting, application preparation, assistance or review, specialized financing consultant services such as HUD, FHA, or AHP financing, entitlement consulting or services, building permit expediting, and tenant file review.

[section renumbering follows]

Comments Received: Commenters generally opposed the proposed language, with one commenter supporting. Commenters stated that consulting fees are not being included in the developer fee maximum, and that these are specialized experts outside of a typical developer staff capacity, citing the complexity of affordable housing programs as well as financial and tax modeling.

Response to Comments: Based on the comments received, staff finds it reasonable to believe that developers have been discounting the existing requirement, or somehow interpreting the developer fee to exclude certain consulting as outside the defined term, without verification from TCAC. While there may be a level of specialized knowledge developed by some consultants, it is staff's recommendation that the clarifying change proceed as proposed since it is in line with the existing defined term.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10302(p)

Initial Proposed Change:

~~p~~s) Farmworker Housing. A development of permanent housing ~~exclusively~~ for agricultural workers (as defined by California Labor Code Section 1140.4(b)) in which at least 50 percent of the units are available to, and occupied by, farmworkers and their households. The Committee may permit an owner to temporarily house nonfarmworkers in vacant units in the event of a disaster or other critical occurrence. However, such emergency shelter shall only be permitted if there are no pending qualified farmworker household applications for residency ~~that is available to, and occupied by, only farmworkers and their households~~.

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10302(z)

Initial Proposed Change:

z) Hybrid project or development. A new construction development constructed with separate 9% and 4% Federal Credit Allocations. The development must meet the conditions set forth in section 10325(c)(9)(A).

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10302(y)

Initial Proposed Change:

~~y~~cc) Local Reviewing Agency. An agency designated by the local government having jurisdiction~~,~~ that will perform evaluations of proposed projects in its locale according to criteria set forth by the Committee.

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10302(ll)

Initial Proposed Change:

~~ll~~pp) Scattered Site Project. A project in which the parcels of land are not contiguous except for the interposition of a road, street, stream or similar ~~property~~interposition.

Comments Received: A comment received requested that the current definition be broadened to allow for rural sites in contiguous counties to be paired together as a scattered site project.

Response to Comments: The proposed change was a clarification rather than a change of the definition, and staff does not propose to expand the definition of a scattered site at this time.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10305(d)

Initial Proposed Change:

(d) Tax Credit Limitations. No applicant shall be eligible to receive Tax Credits if, together with the amount of Federal or State Tax Credits being requested, the applicant would have, in the capacity of individual owner, corporate shareholder, general partner, sponsor, or developer ~~or housing consultant~~, received a reservation or allocation greater than fifteen percent (15%) of the total Federal Credit Ceiling for any calendar year, calculated as of February first of the calendar year.

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10305(h)

Initial Proposed Change:

(h) Notwithstanding any other provision of these regulations, the State Tax Credits allocated pursuant to subsection (g)(1)(B) of Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code shall be awarded to applicants for eligible projects receiving an allocation of State Ceiling from CDLAC and the applicant criteria shall be applied in accordance with Section 10326. Projects shall begin construction within 180 days of award pursuant to Section 10317(j). Up to two hundred million dollars ($200,000,000) ~~shall~~ may be allocated for housing financed by CalHFA's Mixed-Income Program, and this amount may be reduced if requested by CalHFA and subject to agreement of the Executive Directors of CalHFA and CTCAC.

Comments Received: One commenter stated the proposed regulatory language along with current Section 10326(b) establishes the $200 million as a floor, rather than a ceiling, and that CalHFA's Executive Director would need to agree to a reduction. The commenter explained that statute assigns the MIP allocation amount decision solely to TCAC. The commenter instead suggested TCAC outline the factors TCAC would consider in establishing the annual apportionment to the CalHFA MIP projects, which should include proportion of severely rent burdened households at various income levels including those targeted by MIP and the prior year's application demand relative to state credits available, and other State policy priorities such as addressing homelessness.

Response to Comments: TCAC staff appreciates the comment and understands that the $200 million is a ceiling and not a floor. The language enacted AB 83 made up to $200 million in state credits available to projects financed with the CalHFA MIP program. TCAC staff believes the proposed change to require agreement of the Executive Directors of CalHFA and CTCAC meets the intent of AB 83. TCAC staff revised the proposed language slightly to not require the $200 million be requested to be reduced by CalHFA.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes

(h) Notwithstanding any other provision of these regulations, the State Tax Credits allocated pursuant to subsection (g)(1)(B) of Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code shall be awarded to applicants for eligible projects receiving an allocation of State Ceiling from CDLAC and the applicant criteria shall be applied in accordance with Section 10326. Projects shall begin construction within 180 days of award pursuant to Section 10317(j). Up to two hundred million dollars ($200,000,000) ~~shall~~ may be allocated for housing financed by CalHFA's Mixed-Income Program, and this amount may be reduced ~~if requested by CalHFA and subject to~~ upon agreement of the Executive Directors of CalHFA and CTCAC.

Section 10310(b)

Initial Proposed Change:

(b) Credit Ceiling available. The approximate amount of Tax Credits available in each reservation cycle ~~shall~~ may be established by the Committee at a public meeting designated for that purpose as of February first of the calendar year, in accordance with the following provisions:

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10317(i)

Initial Proposed Change:

(i) State Tax Credit Allocations pursuant to subsection (g)(1)(A) of Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code to bond financed projects. The following parameters apply:

(1) An amount equal to fifteen percent (15%) of the annual State Tax Credit authority will be available for acquisition and/or rehabilitation bond financed projects. ~~In the first round of each year,~~ CTCAC shall make reservations~~,~~ up to the 15% limit~~,~~ beginning with the first application review period of a calendar year for tax-exempt bond financed projects ~~for all projects receiving maximum point scores in order of final tiebreaker scores. CTCAC shall make reservations of any remaining State Tax Credits within this set-aside during the second round~~;

(2) The project will be competitively scored by CDLAC ~~under~~ according to the CDLAC scoring and ranking system delineated in Section ~~10325(c)(1) through (4)(A) and (B), (6), (7) and (9),~~5230 of the CDLAC Regulations ~~except that the only tie breaker shall be the final tiebreaker enumerated at Section 10325(c)(9) of these regulations and the maximum points available to a project under section 10325(c)(6)(A) shall be 30~~. Notwithstanding the foregoing, existing tax credit projects must comply with the requirements of Section 10326(g)(8)(A);

~~(3) The highest scoring applications under this scoring system will be recommended for receipt of State Tax Credits, without regard to any set-asides or geographic areas, provided they meet the threshold requirements of Sections 10326;~~

(~~4~~3) If the 15% set-aside has not been reserved prior to year end it may be used in a State Tax Credit exchange for projects that have received 9% Tax Credit reservations;

(~~5~~4) The Committee may reserve an amount in excess of the 15% set-aside of State Tax Credits for the last funded tax-exempt bond financed acquisition and/or rehabilitation ~~projects~~ project if that project requires more than the State Tax Credits remaining in this set-aside if (1) fewer than half of the State Tax Credits annually available for the credit ceiling competition are reserved in the first competitive credit round, or (2) if State Credits remain available after funding of competitive projects in the second TCAC funding round.

(~~6~~5) Staff shall identify high cost projects by comparing each scored project's total eligible basis against its total adjusted threshold basis limits, excluding any increase for deeper targeting pursuant to Section 10327(c)(5)(C). CTCAC shall calculate total eligible basis consistent with the method described in Section 10325(d), except that the amount of developer fee in basis that exceeds the project's deferral/contribution threshold described in Section 10327(c)(2)(B) shall be excluded. A project will be designated "high cost" if a project's total eligible basis exceeds its total adjusted threshold basis limit by 30%. Staff shall not recommend such project for credits. Any project may be subject to negative points if the project's total eligible basis at placed in service exceeds the revised total adjusted threshold basis limits for the year the project is placed in service (or the original total eligible threshold basis limit if higher) by 40%.

Comments Received: Commenters approved of the proposed change, but only so long as the additional state tax credits for 4% projects are made available. Some commenters suggested reverting to the current system if/when that occurs. Additionally, some commenters suggested the 15% state tax credit authority for 4% credit projects be prioritized for those projects qualifying for the 95% basis calculation for state tax credits.

Response to Comments: TCAC staff concurs with most of the comments received and has revised the proposal accordingly. Staff does not propose to retain the TCAC tie breaker scoring system for these projects in years where the additional state tax credits are not available, but to continue with the proposal to utilize the CDLAC ranking system. This will eliminate separately scored and ranked project lists made by CDLAC and TCAC.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes

(i) State Tax Credit Allocations pursuant to subsection (g)(1)(A) of Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code to bond financed projects. The following parameters apply:

(1) In calendar years where there are additional state tax credits available to bond financed projects, ~~An~~ an amount equal to fifteen percent (15%) of the annual State Tax Credit authority will be available for acquisition and/or rehabilitation bond financed projects, with a ranking priority for projects meeting subparagraphs (A) through (D) in subsection (c)(4) of 12206 of the Revenue and Tax Code . In all other years, an amount equal to fifteen percent (15%) of the annual State Tax Credit authority will be available for bond financed projects of any construction type. ~~In the first round of each year,~~ CTCAC shall make reservations~~,~~ up to the 15% limit~~,~~ beginning with the first application review period of a calendar year for tax-exempt bond financed projects. ~~for all projects receiving maximum point scores in order of final tiebreaker scores. CTCAC shall make reservations of any remaining State Tax Credits within this set-aside during the second round~~;

(2) The project will be competitively scored by CDLAC ~~under~~ according to the CDLAC scoring and ranking system delineated in Section ~~10325(c)(1) through (4)(A) and (B), (6), (7) and (9),~~5230 of the CDLAC Regulations ~~except that the only tie breaker shall be the final tiebreaker enumerated at Section 10325(c)(9) of these regulations and the maximum points available to a project under section 10325(c)(6)(A) shall be 30~~. Notwithstanding the foregoing, existing tax credit projects must comply with the requirements of Section 10326(g)(8)(A);

~~(3) The highest scoring applications under this scoring system will be recommended for receipt of State Tax Credits, without regard to any set-asides or geographic areas, provided they meet the threshold requirements of Sections 10326;~~

(~~4~~3) If the 15% set-aside has not been reserved prior to year end it may be used in a State Tax Credit exchange for projects that have received 9% Tax Credit reservations;

(~~5~~4) The Committee may reserve an amount in excess of the 15% set-aside of State Tax Credits for the last funded tax-exempt bond financed acquisition and/or rehabilitation ~~projects~~ project if that project requires more than the State Tax Credits remaining in this set-aside if (1) fewer than half of the State Tax Credits annually available for the credit ceiling competition are reserved in the first competitive credit round, or (2) if State Credits remain available after funding of competitive projects in the second TCAC funding round.

(~~6~~5) Staff shall identify high cost projects by comparing each scored project's total eligible basis against its total adjusted threshold basis limits, excluding any increase for deeper targeting pursuant to Section 10327(c)(5)(C). CTCAC shall calculate total eligible basis consistent with the method described in Section 10325(d), except that the amount of developer fee in basis that exceeds the project's deferral/contribution threshold described in Section 10327(c)(2)(B) shall be excluded. A project will be designated "high cost" if a project's total eligible basis exceeds its total adjusted threshold basis limit by 30%. Staff shall not recommend such project for credits. Any project may be subject to negative points if the project's total eligible basis at placed in service exceeds the revised total adjusted threshold basis limits for the year the project is placed in service (or the original total eligible threshold basis limit if higher) by 40%.

Section 10317(j)

Initial Proposed Change:

(j) State Tax Credit Allocations pursuant to subsection (g)(1)(B) of Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code. For calendar years beginning in ~~2020~~2021, an amount ~~equal~~ up to five hundred million dollars ($500,000,000) in total State Tax Credit authority will be available (if authorized in the California Budget Act or related legislation) for new construction Tax Exempt Bond Projects subject to the ~~minimum~~ requirements ~~set forth in Sections 5033, 5190, 5010(c), and 5230~~ of the California Debt Limit Allocation Committee regulations~~,~~ and the ~~minimum~~ requirements of Section 10326 of these regulations, for projects that can begin construction within 180 days from award. Failure to begin construction within 180 days of award shall result in rescission of the Tax Credit Reservation and may result in assessment of negative points.

Readiness to begin construction within 180 days from award shall be evidenced in the application as set forth in Sections 10325(c)(7)(A) and (B) of these regulations. Within 180 days of the award the applicant must submit to CTCAC building permits (a grading permit does not suffice to meet this requirement except that in the event that the city or county as a rule does not issue building permits prior to the completion of grading, a grading permit shall suffice; if the project is a design-build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin) or the applicable tribal documents, and notice to proceed delivered to the contractor.

Failure to begin construction within 180 days of award shall result in rescission of the Tax Credit Reservation and may result in assessment of negative points.

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10320(b)(1)(B)

Initial Proposed Change:

(B) The entity replacing a party or acquiring ownership or Tax Credits shall be subject to a "qualifications review" by the Committee to determine if sufficient project development and management experience is present for owning and operating a Tax Credit project. Information regarding the names of the purchaser(s) or transferee(s), and detailed information describing the experience and financial capacity of said persons, shall be provided to the Committee. Any general partner change during the 15-year federal compliance and extended use period must be to a party earning equal capacity points pursuant to Section 10325(c)(1)(A) as the exiting general partner. At a minimum this must be three (3) projects in service more than three years, or the demonstrated training required under Section 10326(g)(5). Two of the three projects must be Low Income Housing Tax Credit projects in California. If the new general partner does not meet these experience requirements, then substitution of general partner shall not be permitted. The requirements of this paragraph apply to a change to any general partner, member, or equivalent responsible party where an exiting party meets the experience capacity and the remaining party does not have experience equal to the minimum stated above.

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10320(b)(6)

Initial Proposed Change:

(6) If a project seeks to receive a new reservation of 9% or 4% tax credits, any uncorrected Form(s) 8823 for life and safety violations (life-threatening and non-life threatening) and for Uniform Physical Condition Standards violations that are in existence at the time of the TCAC application must be corrected by the project owner that received the Form(s) 8823. The resyndication application shall not include any costs to correct these Form(s) 8823.

Comments Received: Commenters generally disagreed with the proposal because these resyndications help to preserve the developments, but most stated they would agree if projects without net equity distributions were exempted.

Response to Comments: TCAC staff concurs with the comments received and has revised the proposal accordingly.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes

(6) Except for resyndication applications without a distribution of Net Project Equity, if a project seeks to receive a new reservation of 9% or 4% tax credits, any uncorrected Form(s) 8823 for life and safety violations (life-threatening and non-life threatening) and for Uniform Physical Condition Standards violations that are in existence at the time of the TCAC application must be corrected by the project owner that received the Form(s) 8823. The resyndication application shall not include any costs to correct these Form(s) 8823.

Sections 10320(b)(7), (8)

Initial Proposed Change:

(7) An applicant seeking to (1) demolish or similarly alter any of the existing structures when seeking a new reservation of 9% and/or 4% tax credits; and/or (2) separate an existing project into multiple projects must request and receive prior written approval of the Executive Director. Projects that involve the demolition of existing residential units or separating an existing project must increase the unit count by (i) 25 or (ii) 50% of the existing units, whichever is greater.

(8) A project owner seeking to sell a portion of vacant or unused land must request and receive prior written approval of the Executive Director. The sale proceeds must either: 1) be contributed (not loaned) to a new multifamily affordable housing restricted project; or 2) reduce rents at the existing

property by the aggregate amount of the proceeds. The project owner must request and receive prior written approval of the Executive Director.

Comments Received: Commenters opposed the proposed language as drafted, with the majority of commenters suggesting revisions to the proposed sections. Commenters stated the language should further clarify that these sections are applicable to projects with an existing low-income housing tax credit restriction. The majority of commenters proposed that the demolition standard be applied only to the demolished units, and suggested additional sale proceeds options such as 55 year loans. The remainder of commenters opposed the changes altogether.

Response to Comments: TCAC staff concurs with some of the suggested changes and has included these in the final proposed change. Staff is revising the demolition standard of subsection (7) to allow a calculation based on the demolished units, but is not proposing to allow the lesser of the two options. Staff believes setting a minimum of new units is essential to the proposal.

The proposed standard for subsection (8) has in general been applied consistently to past requests, and project owners have agreed to the terms. Since the original tax credit allocation provided funding resources for affordable housing construction on the project site and resulted in land use restrictions, TCAC seeks to ensure that the sale of any vacant portions continue that intent. While commenters stated that 55 year loans are equivalent to equity contributions, these loans could begin to generate immediate repayment, which is not the intent of this proposed section; therefore staff is proposing to retain the originally proposed language of section (8).

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes

(7) An applicant seeking to (1) demolish or similarly alter any of the existing structures currently subject to CTCAC regulatory restrictions when seeking a new reservation of 9% and/or 4% tax credits; and/or (2) separate an existing project currently subject to CTCAC regulatory restrictions into multiple projects must request and receive prior written approval of the Executive Director. Projects that involve the demolition of existing residential units or separating an existing project must increase the unit count by (i) 25 or (ii) 50% of the existing demolished units, whichever is greater.

(8) A project owner seeking to sell a portion of vacant or unused land must request and receive prior written approval of the Executive Director. The sale proceeds must either: 1) be contributed (not loaned) to a new multifamily affordable housing restricted project; or 2) reduce rents at the existing property by the aggregate amount of the proceeds. The project owner must request and receive prior written approval of the Executive Director.

Section 10320(c)

Initial Proposed Change:

(c) CTCAC shall initially subordinate its regulatory contract to a permanent lender but thereafter shall not subordinate existing regulatory contracts to acquisition or refinancing debt, except in relation to new Deeds of Trust for rehabilitation loans, FHA-insured loans, restructured public loans, or as otherwise permitted by the Executive Director. For resyndication projects TCAC will subordinate to loans that are funding rehabilitation only in cases where there are no distributions of Net Project Equity.

At the request of the owner, CTCAC shall enter into a stand-still agreement permitting the acquisition or refinance lender 60 days to work with the owner to remedy a breach of the regulatory contract prior to CTCAC implementing any of the remedies in the regulatory contract, except that CTCAC shall not enter into a stand-still agreement related to a Transfer Event requested on or after October 21, 2015 unless the conditions of Section 10320(b)(2) have been satisfied. If CTCAC enters into a stand-still agreement related to a Transfer Event, Sections 10320(b)(2), (b)(3) and (b)(4) shall apply to the project.

Comments Received: Commenters opposed this change, stating that it is counter to current subordination policy.

Response to Comments: TCAC staff is withdrawing the proposed change. Staff plans to evaluate the current Transfer Event requirements in the future and may propose a related change in the future.

Final Proposed Change: None, retain existing language.

Section 10322(h)(3)

Initial Proposed Change:

(3) Organizational documents. ~~All applicable proposed or executed organizational documents of the applicant entity~~, ~~including~~ An organization chart and a detailed plan describing the ownership role of the applicant throughout the low-income use period of the proposed project, and the California Secretary of State certificate for the project owner. An executed limited partnership agreement may be submitted as documentation that the project ownership entity is formed. If the project owner entity is not yet formed, provide the certificate for the managing general partner or the parent company of the proposed project owner. A reservation of credit cannot be made to a to-be-formed entity.

Comments Received: Commenters supported the change, with one commenter suggesting a clarifying change.

Response to Comments: TCAC staff concurs with the comments received.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes

(3) Organizational documents. ~~All applicable proposed or executed organizational documents of the applicant entity~~, ~~including~~ An organization chart and a detailed plan describing the ownership role of the applicant throughout the low-income use period of the proposed project, and the California Secretary of State certificate for the project owner (if available). An executed limited partnership agreement may be submitted as documentation that the project ownership entity is formed. If the project owner entity is not yet formed, provide the certificate for the managing general partner or the parent company of the proposed project owner. A reservation of credit cannot be made to a to-be-formed entity.

Section 10322(h)(9)

Initial Proposed Change:

(9) Appraisals. Appraisals are required for 1) all rehabilitation applications except as noted in (A), 2) all competitive applications except for new construction projects that are on tribal trust land or that have submitted a third party purchase contract with, or evidence of a purchase from, an unrelated third party, 3) all applications seeking tiebreaker credit for donated or leased land, and 4) all new construction applications involving a land sale from a related party. For purposes of this paragraph only, a purchase contract or sale with a related party shall be deemed to be a purchase contract or sale with an unrelated party if the applicant demonstrates that the related party is acting solely as a pass-through entity and the tax credit partnership is only paying the acquisition price from the last arms-length transaction, plus any applicable and reasonable carrying costs. Appraisals shall not include the value of favorable financing.

Appraisals must be prepared by a California certified general appraiser having no identity of interest with the development's partner(s) or intended partner or general contractor, acceptable to the Committee, and include, at a minimum, the following:

(i) the highest and best use value of the proposed project as residential rental property, taking into account any on-going recorded rent restrictions;

(ii) for rehabilitation and new construction applications, the Sales Comparison Approach and Income Approach valuation methodologies shall be used; for adaptive reuse applications, the Cost Approach valuation methodology shall be used for adaptive reuse of office buildings, retail buildings, and similar, and the Sales Comparison and Income Approaches may be used for hotels, motels, and similar;

(iii) the appraiser's reconciled value except in the case of an adaptive reuse or conversion as mentioned in (ii) above;

(iv) a value for the land of the subject property ("as if vacant" for rehabilitation or adaptive reuse applications);

(v) an on site inspection; and

(vi) a purchase contract verifying the sales price of the subject property.

(A) Rehabilitation applications. An "as-is" appraisal is required ~~prepared~~ with a date of value that is within 120 days before or after the execution of: a purchase contract; ~~(or,~~ for leased land, an executed development agreement negotiated between the land owner and the applicant or developer~~) or~~; an option agreement; any other site control document pursuant to Section 10325(f)(2); or the transfer of ownership by all the parties ~~by a California certified general appraiser having no identity of interest with the development's partner(s) or intended partner or general contractor, acceptable to the Committee, and that includes, at a minimum, the following:~~

~~(i) the highest and best use value of the proposed project as residential rental property, taking into account any on-going recorded rent restrictions;~~

(ii) ~~the Sales Comparison Approach, and Income Approach valuation methodologies except in the case of an adaptive reuse or conversion, where the Cost Approach valuation methodology shall be used;~~

(iii) ~~the appraiser's reconciled value except in the case of an adaptive reuse or conversion as mentioned in (ii) above;~~

(iv) ~~a value for the land of the subject property "as if vacant";~~

(v) ~~an on site inspection; and~~

(vi) ~~a purchase contract verifying the sales price of the subject property~~.

For tax-exempt bond-funded properties receiving credits under Section 10326 only or in combination with State Tax Credits, the applicant may elect to forego the appraisal required pursuant to this section and use an acquisition value equal to the sum of the third party debt encumbering the seller's property, which may increase during subsequent reviews to reflect the actual amount.

(B) New construction applications. Projects for which an appraisal is required above shall provide an "as-is" appraisal with a date of value that is within either:

(i) 120 days before or after the execution of: a purchase contract; ~~(or,~~ for leased land, an executed development agreement negotiated between the land owner and the applicant or developer~~) or~~; an option agreement; any other site control document pursuant to Section 10325(f)(2); the transfer of ownership by all the parties, or

(ii) ~~within~~ one year of the application date if the latest purchase contract, development agreement, option agreement, or any other site control document pursuant to Section 10325(f)(2) was executed within that year~~, prepared by a California certified general appraiser having no identity of interest with the development's partner(s) or intended partner or general contractor, acceptable to the Committee~~.

An amendment to an agreement does not constitute any of the agreements listed in (i) or (ii) above.

(C) Adaptive reuse applications. All adaptive reuse applications must submit an appraisal using an "as-is" appraisal date of value as stated in (B) above. For applications required to use the Cost Approach, the appraisal must consider the age, condition, and depreciated value of the existing building(s) when utilizing newly constructed "shell" sales comparisons and must include these calculations in the report.

For applications with existing project-based rental subsidy, the Income Approach shall not include post-rehabilitation contract rent(s). Rent(s) used in the Income Approach, if not the existing approved contract rent, must be supported by a rent comparable study or similar and must be approved by the subsidy provider or contract administrator. For applications with existing affordability restrictions, the Income Approach must be based on the affordability restrictions and restricted rents encumbering the property (a "restricted value") unless all affordability restrictions will expire within five years.

CTCAC may contract with an appraisal reviewer who may review submitted appraisals. If it does so, CTCAC shall commission an appraisal review. If the appraisal review finds the submitted appraisal to be inappropriate, misleading, or inconsistent with the data reported and with other generally known information, then the reviewer shall develop his or her own opinion of value and CTCAC shall use the opinion of value established by the appraisal reviewer.

Comments Received: TCAC received several comments, many opposing the proposal to require income approach rents to be approved by the subsidy provider or contract administrator. Commenters cited the length and timing of the HUD process for approval as problematic for receiving approval prior to a TCAC application. Commenters supported use of a rent comparable study. Other commenters supported the use of post-rehabilitation rents. Commenters also opposed the requirement for adaptive reuse to utilize the cost approach, and opposed the requirement that the age, condition, and depreciated value of the buildings should automatically reduce the value of the building to be reused. One commenter opposed the current requirement that the appraisal be within one year of the contract date, and stated it should be within one year of the application date.

Response to Comments: Staff agrees that the HUD process for approving contract rents for a rehabilitation is not aligned with the TCAC application process, and proposes to allow a rent comparable study in support of rents used in the income approach. Staff continues to believe that post-rehabilitation rents are not consistent with an as-is appraised value, upon which acquisition credit is based. Regarding the cost approach and adaptive reuse, the proposed changes do allow the sales approach when adaptively reusing similar properties, and the depreciated value requirement is limited to use of shell sales comparables.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes

(9) Appraisals. Appraisals are required for 1) all rehabilitation applications except as noted in (A), 2) all competitive applications except for new construction projects that are on tribal trust land or that have submitted a third party purchase contract with, or evidence of a purchase from, an unrelated third party, 3) all applications seeking tiebreaker credit for donated or leased land, and 4) all new construction applications involving a land sale from a related party. For purposes of this paragraph only, a purchase contract or sale with a related party shall be deemed to be a purchase contract or sale with an unrelated party if the applicant demonstrates that the related party is acting solely as a pass-through entity and the tax credit partnership is only paying the acquisition price from the last arms-length transaction, plus any applicable and reasonable carrying costs. Appraisals shall not include the value of favorable financing.

Appraisals must be prepared by a California certified general appraiser having no identity of interest with the development's partner(s) or intended partner or general contractor, acceptable to the Committee, and include, at a minimum, the following:

(i) the highest and best use value of the proposed project as residential rental property, taking into account any on-going recorded rent restrictions;

(ii) for rehabilitation and new construction applications, the Sales Comparison Approach and Income Approach valuation methodologies shall be used; for adaptive reuse applications, the Cost Approach valuation methodology shall be used for adaptive reuse of office buildings, retail buildings, and similar, and the Sales Comparison and Income Approaches may be used for hotels, motels, and similar;

(iii) the appraiser's reconciled value except in the case of an adaptive reuse or conversion as mentioned in (ii) above;

(iv) a value for the land of the subject property ("as if vacant" for rehabilitation or adaptive reuse applications);

(v) an on site inspection; and

(vi) a purchase contract verifying the sales price of the subject property.

(A) Rehabilitation applications. An "as-is" appraisal is required ~~prepared~~ with a date of value that is within 120 days before or after the execution of: a purchase contract; ~~(or,~~ for leased land, an executed development agreement negotiated between the land owner and the applicant or developer~~) or~~; an option agreement; any other site control document pursuant to Section 10325(f)(2); or the transfer of ownership by all the parties ~~by a California certified general appraiser having no identity of interest with the development's partner(s) or intended partner or general contractor, acceptable to the Committee, and that includes, at a minimum, the following:~~

~~(i) the highest and best use value of the proposed project as residential rental property, taking into account any on-going recorded rent restrictions;~~

~~(ii) the Sales Comparison Approach, and Income Approach valuation methodologies except in the case of an adaptive reuse or conversion, where the Cost Approach valuation methodology shall be used;~~

~~(iii) the appraiser's reconciled value except in the case of an adaptive reuse or conversion as mentioned in (ii) above;~~

~~(iv) a value for the land of the subject property "as if vacant";~~

~~(v) an on site inspection; and~~

~~(vi) a purchase contract verifying the sales price of the subject property~~.

For tax-exempt bond-funded properties receiving credits under Section 10326 only or in combination with State Tax Credits, the applicant may elect to forego the appraisal required pursuant to this section and use an acquisition value equal to the sum of the third party debt encumbering the seller's property, which may increase during subsequent reviews to reflect the actual amount.

(B) New construction applications. Projects for which an appraisal is required above shall provide an "as-is" appraisal with a date of value that is within either:

(i) 120 days before or after the execution of: a purchase contract; ~~(or,~~ for leased land, an executed development agreement negotiated between the land owner and the applicant or developer~~) or~~; an option agreement; any other site control document pursuant to Section 10325(f)(2); the transfer of ownership by all the parties, or

(ii) ~~within~~ one year of the application date if the latest purchase contract, development agreement, option agreement, or any other site control document pursuant to Section 10325(f)(2) was executed within that year~~, prepared by a California certified general appraiser having no identity of interest with the development's partner(s) or intended partner or general contractor, acceptable to the Committee~~.

An amendment to an agreement does not constitute any of the agreements listed in (i) or (ii) above.

(C) Adaptive reuse applications. All adaptive reuse applications must submit an appraisal using an "as-is" appraisal date of value as stated in (B) above. For applications required to use the Cost Approach, the appraisal must consider the age, condition, and depreciated value of the existing building(s) when utilizing newly constructed "shell" sales comparisons and must include these calculations in the report.

For applications with existing project-based rental subsidy, the Income Approach shall not include post-rehabilitation contract rent(s). Rent(s) used in the Income Approach, if not the existing approved contract rent, must be supported by a rent comparable study or similar ~~and must be approved by the subsidy provider or contract administrator~~. For applications with existing affordability restrictions, the Income Approach must be based on the affordability restrictions and restricted rents encumbering the property (a "restricted value") unless all affordability restrictions will expire within five years.

CTCAC may contract with an appraisal reviewer who may review submitted appraisals. If it does so, CTCAC shall commission an appraisal review. If the appraisal review finds the submitted appraisal to be inappropriate, misleading, or inconsistent with the data reported and with other generally known information, then the reviewer shall develop his or her own opinion of value and CTCAC shall use the opinion of value established by the appraisal reviewer.

Section 10322(h)(10)

Initial Proposed Change:

(10) Market Studies. A full market study prepared within 180 days of the filing deadline by an independent 3rd party having no identity of interest with the development's partners, intended partners, or any other member of the Development Team described in Subsection (5) above. The study must meet the current market study guidelines distributed by the Committee, and establish both need and demand for the proposed project. CTCAC shall publicly notice any changes to its market study guidelines and shall take public comment consistent with the comment period and hearing provisions of Health and Safety Code Section 50199.17. For scattered site projects, a market study may combine information for all sites into one report, provided that the market study has separate rent comparability matrices for each site. A new construction hybrid 9% and 4% tax credit development may combine information for both component projects into one report and, if not, shall reflect the other component project as a development in the planning or construction stages.

A market study shall be updated when either proposed subject project rents change by more than five percent (5%), or the distribution of higher rents increases by more than 5%, or 180 days have passed since the first site inspection date of the subject property and comparable properties. CTCAC shall not accept an updated market study when more than twelve (12) months have passed between the earliest listed site inspection date of either the subject property or any comparable property and the filing deadline. In such cases, applicants shall provide a new market study. If the market study does not meet the guidelines or support sufficient need and demand for the project, the application may be considered ineligible to receive Tax Credits. ~~Except where a waiver is obtained from the Executive Director in advance of a submitted application, or within two weeks of the application date for applications received~~

~~in the same funding round, CTCAC shall not reserve credits for a rural new construction application if a tax credit or other publicly-assisted new construction project housing the same population and within the same market area either (a) already has a tax credit reservation from CTCAC, (b) is a higher ranking project that will receive a reservation in the same funding round, or (c) is currently under construction within the same market area. The Executive Director may grant a waiver for subsequent phases of a single project, where newly constructed housing would be replacing specific existing housing, or where extraordinary demand warrants an exception to the prohibition.~~

For acquisition/rehabilitation projects meeting all of the following criteria, a comprehensive market study as outlined in IRS Section 42(m)(1)(A)(iii) shall mean a written statement by a third party market analyst certifying that the project meets these criteria:

- All of the buildings in the project are subject to existing federal or state rental assistance or operating subsidies, an existing TCAC Regulatory Agreement, or an existing regulatory agreement with a federal, state, or local public entity.

- The proposed tenant-paid rents and income targeting levels shall not increase by more than five percent (5%) (except that proposed rents and income targeting levels for units subject to a continuing state or federal project-based rental assistance contract may increase more and proposed rents and income targeting levels for resyndication projects shall be consistent with Section 10325(f)(11) or Section 10326(g)(8)).

- The project shall have a vacancy rate of no more than ten percent (10%) for special needs units and non-special needs SRO units without a significant project-based public rental subsidy and five percent (5%) for all other units at the time of the tax credit application.

Comments Received: Commenters supported the change.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10322(h)(17)

Initial Proposed Change:

(17) Eligible basis certification. A certification from a third party certified public accountant or tax attorney that project costs included in applicant's calculation of eligible basis are allowed by IRC Section 42, as amended, and are presented in accordance with standard accounting procedures. This must be delivered on the tax professional's corporate letterhead, in the prescribed CTCAC format and must include a statement that the Sources and Uses Budget was reviewed and that the accountant or attorney discussed the budget with the applicant as needed.

Comments Received: None.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10322(h)(26)(B)

Initial Proposed Change:

(B) A Capital Needs Assessment ("CNA") performed within 180 days prior to the application deadline (except as provided in section 10322(h)(35)) that details the condition and remaining useful life of the building's major structural components, all necessary work to be undertaken and its associated costs, as well as the nature of the work, distinguishing between immediate and long term repairs. The Capital Needs Assessment shall also include a pre-rehabilitation 15-year reserve study, indicating anticipated dates and costs of future replacements of all current major building components. The CNA must be prepared by the project architect, as long as the project architect has no identity of interest with the developer, or by a qualified independent 3rd party who has no identity of interest with any of the members of the Development Team. An adaptive reuse application is not required to submit a CNA.

Comments Received: Commenters supported the change, with one request to clarify that adaptive reuse includes former hotels and motels.

Response to Comments: Staff is proposing to clarify when former hotels and motels are considered adaptive reuse in Section 10302 above and so does not believe the suggested clarification is needed.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10322(h)(35)

Initial Proposed Change:

(35) Reapplication documents. Notwithstanding the time sensitive document requirements, the Committee may permit the site control title report and the capital needs assessment report of an unsuccessful application to be submitted, only once, in the reapplication cycle immediately following the unsuccessful application.

Comments Received: Commenters supported the change, and requested that the re-use of these documents be permitted for a calendar year of reapplications.

Response to Comments: Staff is recommending to proceed with the original proposal to allow re-use during one application cycle, but will assess this new standard in 2021 and consider the requests for a longer period in future regulation change proposals.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10322(i)

Initial Proposed Change:

(i) Placed-in-service application. Within ~~one year~~nine months of completing construction or rehabilitation of the proposed project, the project owner shall submit documentation including an executed regulatory agreement provided by CTCAC and the compliance monitoring fee required by Section 10335. CTCAC shall determine if all conditions of the reservation have been met. Changes subsequent to the initial application, particularly changes to the financing plan and costs or changes to the services amenities, must be explained by the project owner in detail. If all conditions have been met, tax forms will be issued, reflecting an amount of Tax Credits not to exceed the maximum amount permitted by these regulations. The following must be submitted:

Comments Received: Commenters opposed the change, stating that the requirements of permanent closing necessitate the current one year standard, or supported if placed in service applications could be submitted prior to permanent loan closing. Commenters stated that developers are motivated to finalize placed in service documents as quickly they are able to, and do so.

Response to Comments: TCAC staff is withdrawing the proposed change.

Final Proposed Change: None, retain existing language.

Section 10322(i)(2)

Initial Proposed Change:

(2) an audited certification, prepared <u>and signed</u> by an independent Certified Public Accountant <u>identified by name,</u> under generally accepted auditing standards, with all disclosures and notes. The Certified Public Accountant (CPA) or accounting firm shall not have acted a manner that would impair independence as established by the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct Section 101 and the Securities and Exchange Commission (SEC) regulations 17 CFR Parts 210 and 240. Examples of such impairing services, when performed for the final cost certification client, include bookkeeping or other services relating to the accounting records, financial information systems design and implementation, appraisal or evaluation services, actuarial services, internal audit outsourcing services, management functions or human resources, investment advisor, banking services, legal services, or expert services unrelated to the audit. Both the referenced SEC and AICPA rules shall apply to all public and private CPA firms providing the final audited cost certification. In order to perform audits of final cost certifications, the auditor must have a peer review of its accounting and auditing practice once every three years consistent with the AICPA Peer Review Program as required by the California Board of Accountancy for California licensed public accounting firms (including proprietors); and make the peer review report publicly available and submit a copy to CTCAC along with the final cost certification. If a peer review reflects systems deficiencies, CTCAC may require another CPA provide the final cost certification. This certification shall:

(A) as identified by the certified public accountant, reflect all costs, in conformance with 26 CFR § 1.42-17, and expenditures for the project up to the funding of the permanent loan as well as all sources and amounts of all permanent funding. Projects developed with general contractors who are Related Parties to the developer must be audited to the subcontractor level;

(B) include a CTCAC provided Sources and Uses form reflecting actual total costs incurred up to the funding of the permanent loan; and

(C) certify that the CPA has not performed any services, as defined by AICPA and SEC rules, that would impair independence~~;~~.

The project owner must request approval from CTCAC if the final cost certification includes a prospective permanent loan or other source amount to be reduced at the time of the final tax credit equity installment, occurring after the Form(s) 8609 are issued. The equity must be used to pay principal balances and shall not be used to pay accrued interest. As a condition of accepting the projected equity, CTCAC will require documentation of the final equity payment and the reduction of the principal balance. A project owner must provide this documentation to CTCAC within 20 days of the loan payment. If the documentation does not support the equity amount or the projected loan or source reduction, the tax credits will be recalculated, the Form(s) 8609 will be amended, and the fee of section 10335(g) will be assessed.

Comments Received: Commenters opposed the proposed changes related to loan reductions after 8609 issuance, and stating that lenders require interest payments before principal. One commenter suggested TCAC should instead require that applicants verify the paydown within 45 days with a copy of the funds transfer and only recalculate the credits if the discrepancy from the final cost certification is greater than $50,000. Several commenters recommended either separating 8609 issuance from the placed in service application review or requiring TCAC to complete the placed in service application review in 90 days.

Response to Comments: TCAC staff is continuing to recommend the proposed change. The loans that staff has seen slated for paydown are public loans with residual receipts payments. It is staff's experience (in reviewing many existing public loans in rehabilitation and resyndication applications) that these loans accrue millions of dollars in interest over the course of a 15-year period and often have little principal payment during that time. Staff finds little value in agreeing to use tax credit equity proceeds to decrease a public loan, but then have those proceeds go toward interest only, with no real loan amount reduction. In addition, developers need not structure projects to utilize the final equity payment in this way.

Staff does not agree with separating the placed in service application review from 8609 issuance. TCAC has a responsibility, based on the federal program requirements, to ensure no more tax credits are issued than are necessary for feasibility. Many of the corrections to the placed in service application directly impact the federal credit allocation. Additionally, establishing a 90 day review period is unrealistic at this time since developer response time and developer delays are a primary source for the lengthy placed in service application review period.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10322(i)(21)

Initial Proposed Change:

(21) Evidence that the subject property is within the control of the project owner in the form of an executed lease agreement, a current title report ~~(~~within 90 days of application except as provided in section 10322(h)(35) (or preliminary title report, but not title insurance or commitment to insure)

showing the project owner holds fee title, a grant deed, or, for tribal trust land, a title status report or an attorney's opinion regarding chain of title and current title status.

Comments Received: One commenter opposed the change, stating that a title insurance policy issued to a buyer at the time of purchase (if within 90 days of application) is better evidence than a preliminary title report.

Response to Comments: This is a conforming change to align with CDLAC, and staff will proceed with the proposed change unless modified by CDLAC.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10322(i)(23)

Initial Proposed Change:

(23) if the application includes legal separation or subdivision of a building that is not a condominium plan:

(A) a legal opinion of how the legal separation meets the IRS definition of a building. The opinion must include a summary of the common area and building access ownership structure and any shared use agreements; and

(B) if the project owners are proposing any kind of proportionate cost where there is a single common area owner, a tax attorney or CPA must provide an opinion of how proportioning a cost and corresponding eligible basis to an entity that does not own the space is permissible under IRS LIHTC and/or tax law. The opinion must include an estimated cost breakdown and the methodology for how these shared area costs were proportioned and is subject to review and approval by CTCAC;

Comments Received: One commenter requested that CPA be removed from subsection (B) because CPAs would not be able to audit or examine such an allocation under professional standards.

Response to Comments: Staff will make the requested change.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes

(23) if the application includes legal separation or subdivision of a building that is not a condominium plan:

(A) a legal opinion of how the legal separation meets the IRS definition of a building. The opinion must include a summary of the common area and building access ownership structure and any shared use agreements; and

(B) if the project owners are proposing any kind of proportionate cost where there is a single common area owner, a tax attorney ~~or CPA~~ must provide an opinion of how proportioning a cost and corresponding eligible basis to an entity that does not own the space is permissible under IRS LIHTC and/or tax law. The opinion must include an estimated cost breakdown and the methodology for how these shared area costs were proportioned and is subject to review and approval by CTCAC;

Section 10322(i)(24)

Initial Proposed Change:

(24) for multiphase projects proposing to share use of common areas and community space, a joint use agreement must be provided in the placed in service application. In addition, if there is any kind of proportionate cost for common area and community space to a project that does not own the area/space, a tax attorney or CPA must provide an opinion of how apportioning a cost and corresponding eligible basis to an entity that does not own the area/space is permissible under IRS LIHTC and/or tax law. The opinion must include an estimated cost breakdown and the methodology for how these shared area costs were apportioned and is subject to review and approval by CTCAC;

Comments Received: One commenter requested that CPA be removed from subsection (B) because CPAs would not be able to audit or examine such an allocation under professional standards.

Response to Comments: Staff will make the requested change.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes

(24) for multiphase projects proposing to share use of common areas and community space, a joint use agreement must be provided in the placed in service application. In addition, if there is any kind of proportionate cost for common area and community space to a project that does not own the area/space, a tax attorney ~~or CPA~~ must provide an opinion of how apportioning a cost and corresponding eligible basis to an entity that does not own the area/space is permissible under IRS LIHTC and/or tax law. The opinion must include an estimated cost breakdown and the methodology for how these shared area costs were apportioned and is subject to review and approval by CTCAC;

Section 10322(j)

Initial Proposed Change:

(j) Revisions to 4% Reservations at Placed in Service. Proposals submitted under Section 10326 of these regulations do not require new applications for changes in costs or Tax Credits alone. Committee staff will adjust the Credit amount when the placed-in-service package is received and reviewed. Approval of the Executive Director is required for any change in unit mix or income targeting after reservation except for changes that decrease income targeting. It is the applicant's responsibility to notify CTCAC of any unit mix or income targeting change. Projects at placed-in-service that are requesting additional Tax Credits will be required to submit a fee equal to one percent (1%) of the increase from reservation in the annual federal tax credits allocated. This section shall apply to all projects for which TCAC issues tax forms after December 31, 2017.

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(a)

Initial Proposed Change:

(a) General. All applications not requesting Federal Tax Credits under the requirements of IRC Section 42(h)(4)(b) and Section 10326 of these Regulations (for buildings financed by tax-exempt bonds) shall compete for reservations of Credit Ceiling amounts during designated reservation cycles. Further, no project that has a pending application for a private activity bond allocation or that has previously received a private activity bond allocation will be eligible to compete under the Credit Ceiling competition for Federal Tax Credits~~ unless it receives a waiver from the Executive Director~~.

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(c)(1)(A) first paragraph only

Initial Proposed Change:

(A) General partner experience. To receive points under this subsection for projects in existence for over 3 years, ~~the ~~a proposed general partner~~s~~, or a key person within the proposed general partner organization, must meet the following conditions:

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(c)(1)(A)(i)

Initial Proposed Change:

(i) For projects in operation for over three years, submit a certification from a third party certified public accountant that the projects for which it is requesting points have maintained a positive operating cash flow, from typical residential income alone (e.g. rents, rental subsidies, late fees, forfeited deposits, etc.) for the year in which each development's last financial statement has been prepared and have funded reserves in accordance with the partnership agreement and any applicable loan documents. To obtain points for projects previously owned by the proposed general partner, a similar certification must be submitted with respect to the last full year of ownership by the proposed general partner, along with verification of the number of years that the project was owned by that general partner. To obtain points for projects previously owned, the ending date of ownership or participation must be no more than 10 years from the application deadline. This certification must list the specific projects for which the points are being requested. The certification of the third party certified public accountant may be in the form of an agreed upon procedure report that includes funded reserves as of the report date, which shall be dated within 60 days of the application deadline, unless the general partner or key person has no current projects which are eligible for points in which case the report date shall be after the date from which the general partner or key person separated from the last eligible project. If the certification is prepared for a first round application utilizing prepared financial statements of the previous calendar year, the certification may be submitted in a second round application, exceeding the 60 day requirement above. Where there is more than 1 general partner, experience points may not be aggregated; rather, points will be awarded based on the highest points for which 1 general partner is eligible.

3-4 projects in service more than 3 years, of which 1 shall be in service more than 5 years and 2 shall be California Low Income Housing Tax Credit projects ~~4~~ 5 points

5 or more projects in service more than 3 years, of which 1 shall be in service more than 5 years and 2 shall be California Low Income Housing Tax Credit projects ~~6~~ 7 points

For special needs housing type projects only applying through the Nonprofit set-aside or Special Needs set-aside only, points are available as described above or as follows:

3 Special Needs projects in service more than 3 years and one California Low Income Housing Tax Credit project which may or may not be one of the 3 special needs projects ~~4~~ 5 points

4 or more Special Needs projects in service more than 3 years and one California Low Income Housing Tax Credit project which may or may not be one of the 4 special needs projects ~~6~~ 7 points

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(c)(1)(B)(ii)

Initial Proposed Change:

(i) 6-10 projects managed over 3 years, of which 2 shall be California Low Income Housing Tax Credit projects 2 points

11 or more projects managed over 3 years, of which 2 shall be California Low Income Housing Tax Credit projects 3 points

For special needs housing type projects only applying through the Nonprofit setaside or Special Needs set-aside only, points are available as described above or as follows:

2-3 Special Needs projects managed over 3 years and one California Low Income Housing Tax Credit project which may or may not be one of the special needs projects 2 points

4 or more Special Needs projects managed over 3 years and one California Low Income Housing Tax Credit project which may or may not be one of the special needs projects 3 points

~~Alternatively, a management company that provides evidence that the agent to be assigned to the project (either on-site or with management responsibilities for the site) has been certified prior to the application deadline pursuant to a low income housing tax credit certification examination of a nationally recognized housing tax credit compliance entity on a list maintained by the Committee, may receive 2 points. These points may substitute for other management company experience but will not be awarded in addition to such points.~~

Comments Received: One commenter opposed the change, stating that it would limit the ability of a mission-driven nonprofit to build, renovate, or manage a low-income housing tax credit (LIHTC) project to its fullest benefit to the communities they serve and in which they operate, and force permanent outsourcing of property management.

Response to Comments: TCAC staff continues to believe that, for TCAC competitive applications, this point category will remain unused due to the competitiveness of the 9% tax credits. For its use within the CDLAC scoring system, staff notes that CDLAC's proposed scoring system allows for training to take place within the maximum point category, and so should not result in any displacement or outsourcing of property management staff.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(c)(4)(A)

Initial Proposed Change:

(A) Site Amenities: Site amenities must be appropriate to the tenant population served. To receive points the amenity must be in place at the time of application except as specified in paragraphs 1, 5, and 8 below. In addition, an amenity to be operated by a public entity that is (i) being constructed within the project as part of the tax credit development, (ii) is receiving development funding for the amenity from the public entity, and (iii) has a proposed operations budget from the operating public entity, would be considered "in place" at the time of application. Distances must be measured using a standardized radius from the development site to the target amenity, unless that line crosses a significant physical barrier or barriers. Such barriers include highways, railroad tracks, regional parks, golf courses, or any other feature that significantly disrupts the pedestrian walking pattern between the development site and the amenity. The radius line may be struck from the corner of development site nearest the target amenity, to the nearest corner of the target amenity site. However, a radius line shall not be struck from the end of an entry drive or on-site access road that extends from the central portion of the site itself by 250 feet or more. Rather, the line shall be struck from the nearest corner of the site's central portion. Where an amenity such as a grocery store resides within a larger shopping complex or commercial strip, the radius line must be measured to the amenity exterior wall, rather than the site boundary. The resulting distance shall be reduced in such instances by 250 feet to account for close-in parking.

No more than 15 points will be awarded in this category. For purposes of the Native American apportionment only, no points will be awarded in this category. However, projects that apply under the Native American apportionment that drop down to the rural set-aside will be scored in this category. Applicants must certify to the accuracy of their submissions and will be subject to negative points in the round in which an application is considered, as well as subsequent rounds, if the information submitted is found to be inaccurate. For each amenity, color photographs, a contact person and a contact telephone must be included in the application. The Committee may employ third parties to verify distances or may have staff verify them. Only one point award will be available in each of the subcategories (1-9) listed below, with the exception of the transit pass option of subcategory 1. Amenities may include:

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(c)(4)(A)1. transit pass point option only

Initial Proposed Change:

1. In addition to meeting one of the point categories described above, the applicant commits to provide to residents free transit passes or discounted passes priced at no more than half of retail cost. Passes shall be made available to each Low-Income Unit at the time a Low-Income Unit is leased to the tenant and shall be made available for at least 15 years. These points are not available for projects with van service. These points are only available to Rural set-aside projects with dial-a-ride service for free or discounted dial-a-ride passes.

   At least one pass per Low-Income Unit 3 points
   At least one pass per each 2 Low-Income Units 2 points

Comments Received: One comment received stated that (1) many people with disabilities already receive reduced or free transit passes through other services and sources and it is unnecessary for the affordable housing project to be required to provide them additionally, and (2) TCAC should seek to ensure all residents have access to a reduced or free transit pass.

Response to Comments: As the proposed change is a clarifying one, staff proposes to proceed with the change as initially proposed.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(c)(4)(A)5.

Initial Proposed Change:

5. For a development wherein at least 25 percent (25%) of the Low-Income Units (or, for Special Needs housing type, at least 25% of the Large Family Low-Income Units) shall be three-bedroom or larger units, the site is within 1/4 mile of a public elementary school; 1/2 mile of a public middle school; or one (1) mile of a public high school, (an additional 1/2 mile for each public school type for Rural setaside projects) and that the site is within the attendance area of that school. Public schools demonstrated, at the time of application, to be under construction and to be completed and available to the residents prior to the housing

development completion are considered in place at the time of application for purposes of this scoring factor. 3 points

or within an additional 1/2 mile for each public school type (an additional 1 mile for Rural set-aside projects) 2 points

Comments Received: One commenter proposed a reduction in the percentage of 3-bedroom units required.

Response to Comments: Staff's proposal is to allow special needs projects to access this point category, not to reduce the percentage of 3-bedroom units. Staff continues to believe in the importance of providing these larger units to low-income families.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(c)(4)(A)10.

Initial Proposed Change:

10. High speed internet service, with a minimum average download speed of ~~1.5~~50 megabits/second must be made available to each Low-Income Unit for a minimum of 15 years, free of charge to the tenants, and available within 6 months of the project's placed-in-service date. ~~Will serve letters or other documentation~~ Documentation of internet availability must be ~~documented within~~included in the application. If internet is selected as an option in the application it must be provided even if it is not needed for points.

Comments Received: Two commenters noted the proposed requirement of 50 Mbps may not be readily available in all locations and suggested the language be changed to 25 Mbps.

Response to Comments: TCAC staff concurs with the comments received.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes

10. High speed internet service, with a minimum average download speed of ~~1.5~~25 megabits/second must be made available to each Low-Income Unit for a minimum of 15 years, free of charge to the tenants, and available within 6 months of the project's placed-in-service date. ~~Will serve letters or other documentation~~ Documentation of internet availability must be ~~documented within~~included in the application. If internet is selected as an option in the application it must be provided even if it is not needed for points.

Section 10325(c)(4)(A)11.

Initial Proposed Change:

11. The project is a new construction ~~large family~~Large Family housing type project, except for an inclusionary project as defined in Section 10325(c)(9)(C), and the site is located in a census

tract, or census block group as applicable, designated on the TCAC/HCD Opportunity Area Map as Highest or High Resource: 8 points

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(c)(4)(B)

Initial Proposed Change:

(B) Projects that provide high-quality services designed to improve the quality of life for tenants are eligible to receive points for service amenities. Services must be appropriate to meet the needs of the tenant population served and designed to generate positive changes in the lives of tenants, such as by increasing tenant knowledge of and access to available services, helping tenants maintain stability and prevent eviction, building life skills, increasing household income and assets, increasing health and well-being, or improving the educational success of children and youth.

Except as provided below, in order to receive points in this category, physical space for service amenities must be available when the development is placed-in-service. Services space must be located inside the project and provide sufficient square footage, accessibility and privacy to accommodate the proposed services. Evidence that adequate physical space for services will be provided must be documented within the application.

The amenities must be available within 6 months of the project's placed-in-service date. Applicants must commit that services shall be provided for a period of 15 years.

All services must be of a regular and ongoing nature and provided to tenants free of charge (except for day care services or any charges required by law). Services must be provided on-site except that projects may use off-site services within 1/2 mile of the development (1½ miles for Rural set-aside projects) provided that they have a written agreement with the service provider enabling the development's tenants to use the services free of charge (except for day care and any charges required by law) and that demonstrate that provision of on-site services would be duplicative.

No more than 10 points will be awarded in this category. The number of hours per year for a full time-equivalent (FTE) will be calculated as follows: 1) the number of bedrooms X 0.0017 = FTE multiplier; 2) FTE Multiplier X 2,080 = number of hours per year (up to a maximum of 2,080 hours).

For Large Family, Senior, and At-Risk Projects or for the non-Special Needs units in a Special Needs Project with less than 75% Special Needs units, amenities may include, but are not limited to:

1. Service Coordinator. Responsibilities must include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or other enrichment activities for tenants (such as holiday events, tenant council, etc.).

   Minimum ratio of 1 Full Time Equivalent (FTE) Service Coordinator to 600 bedrooms.

5 points

~~Minimum ratio of 1 FTE Service Coordinator to 1,000 bedrooms 3 points~~

2. Other Services Specialist. Must provide individualized assistance, counseling and/or advocacy to tenants, such as to assist them to access education, secure employment, secure benefits, gain skills or improve health and wellness. Includes, but is not limited to: Vocational/Employment Counselor, ADL or Supported Living Specialist, Substance Abuse or Mental Health Counselor, Peer Counselor, Domestic Violence Counselor.

   Minimum ratio of 1 FTE Services Specialist to 600 bedrooms. 5 points

   ~~Minimum ratio of 1 FTE Services Specialist to 1,000 bedrooms 3 points~~

3. Instructor-led ~~A~~adult educational, health and wellness, or skill building classes. Includes, but is not limited to: Financial literacy, computer training, home-buyer education, GED classes, and resume building classes, ESL, nutrition class, exercise class, health information/awareness, art class, parenting class, on-site food cultivation and preparation classes, and smoking cessation classes. Drop-in computer labs, monitoring or technical assistance shall not qualify.

   84 hours of instruction per year (42 for small developments) 7 points

   60 hours of instruction per year (30 for small developments) 5 points

   ~~36 hours of instruction per year (18 for small developments) 3 points~~

4. Health and wellness services and programs. Such services and programs shall provide individualized support to tenants (not group classes) and need not be provided by licensed individuals or organizations. Includes, but is not limited to visiting nurses programs, intergenerational visiting programs, or senior companion programs. The application must describe in detail the services to be provided.

   100 hours of services per year for each 100 bedrooms 5 points

   60 hours of services per year for each 100 bedrooms 3 points

   ~~40 hours of services per year for each 100 bedrooms 2 points~~

5. Licensed child care. Shall be available 20 hours or more per week, Monday through Friday, to residents of the development. (Only for large family projects or other projects in which at least 25% of Low-Income Units are three bedrooms or larger). 5 points

6. After school program for school age children. Includes, but is not limited to tutoring, mentoring, homework club, art and recreational activities. (Only for large family projects or other projects in which at least 25% of Low-Income Units are three bedrooms or larger).

   10 hours per week, offered weekdays throughout school year 5 points

   6 hours per week, offered weekdays throughout school year 3 points

   ~~4 hours per week, offered weekdays throughout school year 2 points~~

For Special Needs Projects with 75% or more Special Needs units or for the Special Needs units in a Special Needs Project with less than 75% Special Needs units, amenities may include, but are not limited to:

7. Case Manager. Responsibilities must include (but are not limited to) working with tenants to develop and implement an individualized service plan, goal plan or independent living plan.

   Ratio of 1 FTE case manager to 100 bedrooms 5 points

   ~~Ratio of 1 FTE case manager to 160 bedrooms 3 points~~

8. Service Coordinator or Other Services Specialist. Service coordinator responsibilities shall include, but are not limited to: (a) providing tenants with information about available services in the community, (b) assisting tenants to access services through referral and advocacy, and (c) organizing community-building and/or other enrichment activities for tenants (such as holiday events, tenant council, etc.). Other services specialist must provide individualized assistance, counseling and/or advocacy to tenants, such as to assist them to access education, secure employment, secure benefits, gain skills or improve health and wellness. Includes, but is not limited to: Vocational/Employment Counselor, ADL or Supported Living Specialist, Substance Abuse or Mental Health Counselor, Peer Counselor, Domestic Violence Counselor.

   Ratio of 1 FTE service coordinator or specialist to 360 bedrooms 5 points

   ~~Ratio of 1 FTE service coordinator or specialist to 600 bedrooms 3 points~~

9. Adult educational, health and wellness, or skill building classes. Includes, but is not limited to: Financial literacy, computer training, home-buyer education, GED classes, and resume building classes, ESL, nutrition class, exercise class, health information/awareness, art class, parenting class, on-site food cultivation and preparation classes, and smoking cessation classes.

   84 hours of instruction per year (42 for small developments) 5 points

   ~~60 hours of instruction per year (30 for small developments) 3 points~~

   ~~36 hours of instruction per year (18 for small developments) 2 points~~

10. Health or behavioral health services provided by appropriately-licensed organization or individual. Includes but is not limited to: health clinic, adult day health center, medication management services, mental health services and treatment, substance abuse services and treatment. 5 points

11. Licensed child care. Shall be available 20 hours or more per week, Monday through Friday, to residents of the development. (Only for large family projects or other projects in which at least 25% of Low-Income Units are three bedrooms or larger). 5 points

12. After school program for school age children. Includes, but is not limited to tutoring, mentoring, homework club, art and recreational activities. (Only for large family projects or other projects in which at least 25% of Low-Income Units are three bedrooms or larger).

10 hours per week, offered weekdays throughout school year 5 points

~~6 hours per week, offered weekdays throughout school year 3 points~~

~~4 hours per week, offered weekdays throughout school year 2 points~~

Special needs projects with less than 75% special needs units shall be scored proportionately in the service amenity category based upon (i) the services provided to special needs and non-special needs units, respectively; and (ii) the percentage of units represented by special needs and non-special needs units, respectively. Proportionate scoring means for a project to score the maximum 10 points, nonspecial needs units and special needs units must independently score 10 points for service amenities. For special needs projects with less than 75% special needs units that provide the same service amenity for the special needs and non-special needs tenants, the applicant must select the amenity from 1-6 and from 7-12 in the application form. Special needs projects with 75% or more but less than 100% special needs units shall demonstrate that all tenants will receive an appropriate level of services.

Items 1 through 12 are mutually exclusive~~.~~: ~~O~~one proposed service may not receive points under two different categories, except in the case of proportionately-scored scored services pursuant to the previous paragraph.

Documentation must be provided for each category of services for which the applicant is claiming service amenities points and must state the name and address of the organization or entity that will provide the services; describe the services to be provided and the number of hours services will be provided; and name the project to which the services are being committed.

Documentation shall take the form of a contract for services, Memorandum of Understanding (MOU), or commitment letter on agency letterhead.

For projects claiming points for items 1, 2, 7, or 8, a position description must be provided. Services delivered by the on-site Property Manager or other property management staff will not be eligible for points under any category (items 1 through 12).

The application's Service Amenity Sources and Uses Budget page must clearly describe all anticipated income and expenses associated with the services program(s) and must align with the services commitments provided (i.e. contracts, MOUs, letters, etc.). Applications shall receive points for services only if the proposed services budget adequately accounts for the level of service. The budgeted amount must be reasonably expected to cover the costs of the proposed level of service. If project operating income will fund service amenities, the application's Service Amenities Sources and Uses Budget must be consistent with the application's fifteen year pro forma. Services costs contained in the project's pro forma operating budget do not count towards meeting CTCAC's minimum operating expenses required by Section 10327(g)(1).

All organizations providing services for which the project is claiming points must document that they have at least 24 months of experience providing services to the project's target population. Experience of individuals may not be substituted for organizational experience.

Comments Received: One commenter opposed the change stating that it does not result in simplification, stating that 2- and 3-point categories can be combined to make 5-point categories.

Response to Comments: TCAC staff's experience is that applicants generally do not combine 2- and 3-point categories, which individually do not produce a high number of service hours for tenants. Staff believes the hours required in 5-point categories provide a more meaningful amount of service hours to tenants, and proposes to proceed with the original proposal.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(c)(5)

Initial Proposed Change:

(5) <u>Reserved</u>~~Sustainable building methods. Maximum 5 points~~

~~Sustainable building methods points shall be awarded to applicant projects committing to the following applicable standards. Except where 90 percent (90%) or more of the proposed units consist of either new construction or rehabilitation, projects consisting of both (i) new construction or adaptive reuse and (ii) rehabilitation of existing units shall be scored on meeting applicable standards for both construction types. In such cases, points shall be awarded based upon the lowest score achieved by each construction type. The application shall include a statement committing the property owner to at least maintain the installed energy efficiency and sustainability features' quality when replacing any such feature.~~

~~(A) New Construction and Adaptive Reuse Projects: The applicant commits to develop the project in accordance with the minimum requirements of any one of the following programs: Leadership in Energy & Environmental Design (LEED); Green Communities; Passive House Institute US (PHIUS); Passive House; Living Building Challenge; National Green Building Standard ICC / ASRAE – 700 silver or higher rating; or the GreenPoint Rated Program. 5 points~~

~~WELL (when not combined with the program above) 1 point~~

~~(B) New Construction and Adaptive Reuse Projects: Points for energy efficiency shall be awarded according to one of the following:~~

~~(i) Energy efficiency (including heating, cooling, fan energy, and water heating but not the following end uses: lighting, plug load, appliances, or process energy) beyond the requirements in the 2019 Title 24, Part 6, of the California Building Code (the 2019 Standards) for the project as a whole shall be awarded as follows, provided that each building, unless waived by the Executive Director, shall meet at least half of the percentage for which the project receives points:~~

~~**Low-Rise Multifamily**~~		~~**High-Rise Multifamily**~~	
~~5 Total EDR Pts.~~	~~3 points~~	~~7 percent~~	~~3 points~~
~~8 Total EDR Pts.~~	~~5 points~~	~~12 percent~~	~~5 points~~

~~If the local building department has determined that building permit applications submitted on or before December 31, 2019 are complete, then energy efficiency beyond the requirements in the 2016 Title 24, Part 6, of the California Building~~

~~Code (the 2016 Standards) for the project as a whole shall be awarded as follows, provided that each building, unless waived by the Executive Director, shall meet at least half of the percentage for which the project receives points:~~

~~9 percent 3 points~~

~~15 percent 5 points~~

~~(ii) Energy Efficiency with renewable energy that provides the following percentages of project tenants' energy loads for the project as a whole, provided that each building, unless waived by the Executive Director, shall meet at least half of the percentage for which the project receives points:~~

~~**Offset of Tenants' Load**~~	~~**Low-Rise Multifamily**~~	~~**High-Rise Multifamily**~~
~~40 percent~~	~~3 points~~	~~4 points~~
~~60 percent~~	~~4 points~~	~~5 points~~
~~80 percent~~	~~5 points~~	

~~The percentage Zero Net Energy (ZNE) solar offset of a project's tenant energy loads is to be calculated using the California Utility Allowance Calculator (CUAC) with kilowatt hours (kWh) consumed to be balanced by kilowatts generated on-site. Gas use is to be converted to kWh for percentage ZNE offset calculations, assuming 1 Therm = 29.3 kWh, and 100,100 British Thermal Units (BTUs) = 29.3 kWh. Residential energy loads modeled by the CUAC shall include all energy used by tenants, both gas and electric, regardless of whether the energy load is billed to the owner or the tenants. This calculation excludes non-residential energy uses associates with the community building, elevators, parking lot lighting, and similar end uses, but includes domestic hot water and Heating, Ventilation, and Air Conditioning (HVAC) loads, regardless of whether they are central or distributed. For purposes of this paragraph, "High-Rise Multifamily" is defined consistently with the California Energy Code.~~

~~(C) Rehabilitation Projects: The applicant commits to develop the project in accordance with the minimum requirements of any one of the following programs: Leadership in Energy & Environmental Design (LEED); GreenPoint Rated Existing Home Multifamily Program; Passive House Institute US (PHIUS); Passive House; Living Building Challenge; National Green Building Standard ICC / ASRAE – 700 silver or higher rating; or 2015 Enterprise Green Communities, to the extent it can be applied to existing multifamily building. 5 points~~

~~WELL (when not combined with the programs above) 1 point~~

~~(D) Rehabilitation Projects: The project will be rehabilitated to improve energy efficiency above the modeled energy consumption of the project as a whole based on existing conditions, provided that each building, unless waived by the Executive Director, shall meet at least half of the percentage for which the project receives points. In the case of projects in which energy efficiency improvements have been completed within five years prior to the application date pursuant to a public or regulated utility program or other governmental program that established existing conditions of the systems being~~

~~replaced using a HERS Rater, the applicant may include the existing conditions of those systems prior to the improvements. The project must undergo an energy assessment that meets the CTCAC Existing Multifamily Assessment Protocols. The report documenting the results of the Assessment must be submitted using the Sustainable Building Method Workbook's CTCAC Existing Multifamily Assessment Report Template. Points are awarded based on the building(s) percentage decrease in estimated Time Dependent Valuation (TDV) energy use (or improvement in energy efficiency) post rehabilitation as demonstrated using the Nonresidential (High-Rise Residential) performance module of California Energy Commission (CEC) approved software:~~

~~**Improvement Over Current**~~

~~15 percent 3 points~~

~~20 percent 5 points~~

~~(E) Additional Rehabilitation Project Measures. For projects receiving points under section 10325(c)(5)(D) applicants may be awarded points for committing to developing, and/or managing, their project with one or more of the following:~~

~~1. Projects shall include either:~~

~~a. Photovoltaic (PV) generation that offsets 30% of tenant loads (if the combined available roof area of the project structures, including carports, is insufficient for provision of 30% of annual tenant electricity use, then the project shall have onsite renewable generation based on at least 90 percent (90%) of the available solar accessible roof area; or~~

~~b. PV that offsets either 50 percent (50%) of common area load (if the combined available roof area of the project structures, including carports, is insufficient for provision of 50% of annual common area electricity use, then the project shall have onsite renewable generation based on at least 90 percent (90%) of the available solar accessible roof area); or~~

~~c. Solar hot water for all tenants who have individual water meters.~~
~~2 points~~

~~2. Project shall implement sustainable building management practices including:~~

~~Develop a project-specific maintenance manual including replacement specifications and operating information of all energy and green building features, and~~

~~Undertake formal building systems commissioning, retro-commissioning or re-commissioning as appropriate (continuous commissioning is not required).~~
~~2 points~~

~~3. Projects shall individually meter or sub-meter currently master-metered gas, electricity, or central hot water systems for all tenants. 2 points~~

~~(F) Water efficiency:~~

~~Use no irrigation at all, irrigate only with reclaimed water, greywater, or rainwater (excepting water used for Community Gardens), or irrigate with reclaimed water, greywater, or rainwater in an amount that annually equals or exceeds 10,000 gallons or 150 gallons per unit, whichever is less.~~ ~~5 points~~

~~(G) Compliance and Verification:~~

~~1. For preliminary reservation applications, applicants must include a certification from the project architect that the sustainable building methods of Section 10325(c)(5) have been incorporated into the project, if applicable. For rehabilitation applications incorporating the requirements of subsection (C) Green Communities or WELL option, and for all applications incorporating the requirements of subsections (B), (D), or (E)1.a above, applicants must include a completed Sustainable Building Method Workbook.~~

~~2. For placed-in-service applications to receive points under section 10325(c)(5)(A) and section 10325(c)(5)(C), the applicant must submit the appropriate required third party verification documentation showing the project has met the requirements for the relevant program.~~

~~3. For low-rise new construction project placed-in-service applications to receive points under the 2019 Standards in section 10325(c)(5)(B)(i), the applicant must submit a completed Sustainable Building Method Workbook and the appropriate California Energy Commission compliance form for the project which shows the necessary Total EDR score better than the appropriate Standards. For high-rise new construction project placed-in-service applications to receive points under section 10325(c)(5)(B)(i), the applicant must submit a completed Sustainable Building Method Workbook and the appropriate California Energy Commission compliance form for the project which shows the Regulations necessary percentage improvement better than the appropriate Standards. This compliance form must be the output from the building(s) modeled "as built" and reflect all relevant changes that impact the building(s) energy efficiency that were made after the preliminary reservation application. The compliance form must be signed by a California Association of Building Energy Consultants (CABEC) Certified Energy Analyst (CEA). Documentation for measures that require verification by California Home Energy Rating System (HERS) Raters must also be submitted.~~

~~4. New Construction placed-in-service applications for projects that received points under section 10325(c)(5)(B)(ii), the applicant must submit a completed Sustainable Building Method Workbook, a completed CUAC analysis establishing the total tenant energy load, and documentation of the PV output using the Expected Performance Based Buydown (EPBB) calculator with TCAC approved monthly scalars. These compliance forms must reflect all relevant changes that impact building(s) energy efficiency that were made after the preliminary reservation application. The CUAC analysis and other required forms must be signed by a CABEC certified CEA. Documentation for the solar PV installation and other measures that require verification by California HERS Raters must also be submitted.~~

~~5. For rehabilitation project placed-in-service applications to receive points under section10325(c)(5)(D), the applicant must submit a completed Sustainable Building Method Workbook and the energy consumption and analysis report from the Nonresidential (High-Rise Residential) performance module of CEC approved~~

~~software, completed by a CABEC certified CEA, which shows the pre- and post-rehabilitation estimated TDV energy use demonstrating the required improvement. The pre-rehabilitation conditions shall be established using the Sustainable Building Method Workbook's CTCAC Existing Multifamily Assessment Protocols and reported using the CTCAC Existing Multifamily Assessment Report Template, signed by a qualified HERS Rater.~~

~~6. For rehabilitation project placed-in-service applications to receive points under section 10325(c)(5)(E) the applicants must submit the following documentation:~~

~~(i) For projects including photovoltaic generation that offsets tenant loads, the applicant must submit a completed Sustainable Building Method Workbook, a Multifamily Affordable Solar Home (MASH) Program field verification certification form signed by the project's solar contractor and a qualified HERS Rater, and a copy of the utility interconnection approval letter. The applicant shall use the Expected Performance Based Buydown (EPBB) calculator with CTCAC approved monthly scalars to determine the solar values to be input into the CUAC calculator.~~

~~(ii) For projects including photovoltaic generation that offsets common area load, the energy analyst shall provide documentation of the load serving the common area and the output calculations of the photovoltaic generation.~~

~~(iii) For sustainable building management practices, the applicant must submit a copy of the energy management and maintenance manual and submit the building commissioning plan drafted in accordance with the California Commissioning Collaborative's best practice recommendations for existing buildings or the GreenPoint Rated Multifamily Commissioning requirements.~~

~~(iv) For sub-metered central hot water systems, the applicant must demonstrate compliance with CPUC regulations for hot water sub-metering and billing by submitting a copy of the Utility Service Agreement from project's local utility provider.~~

~~7. For placed in service applications to receive points under Section 10325(c)(5)(F), the project architect, landscape architect, water system engineer, HERS Rater, GreenPoint Rater, NGBS Green Verifier, or LEED for Homes Green Rater shall certify that the project has been designed and constructed to achieve the standards and that, if applicable, reclaimed water, greywater, or rainwater systems have been installed and are functioning to supply sufficient irrigation to the property to meet the standards under normal conditions.~~

~~8. Failure to produce the appropriate documentation for (2) through (7) of this subsection may result in an award of negative points for the development team.~~

Comments Received: TCAC received a high volume of comments regarding this proposed change, many of them opposing the change. Energy firms, public agencies, and developers opposed the change, and instead proposed to add all-electric and carbon emission reduction point options. These commenters cited the current point category's alignment with the state's energy and sustainability goals, the importance of providing sustainably built and energy efficient units to low-income residents, and the importance of moving away from use of gas-fired systems and appliances for climate change, healthy living, and greenhouse gas emission reductions.

Commenters stated that California has been a leader in climate change mitigation and that the impacts of climate change, including the increase in droughts, wildfires smoke pollution, disproportionally affect low-income people. Commenters noted the importance of TCAC in providing leadership to address both the housing shortfall and the commitment to provide safer homes. Some of these commenters cited that the affordable housing community has started embracing all-electric new construction. Regulatory changes from TCAC to eliminate rather than advance these policies will disincentivize and delay a much needed shift and lead to uneven adoption of and investments in quality of life improvements for lower income residents.

Commenters stated that removal of this point category is inconsistent with state directives requiring state agencies to consider greenhouse gas implications of their programs and activities. Several commenters noted that TCAC's current program is aligned with the CPUC's energy efficiency programs, CEC Building Energy Codes, the Affordable Housing Sustainable Communities Program, the Multifamily Low-Income Weatherization Program (LIWP), and local government codes. One commenter stated that the CEC has produced numerous cost-effectiveness studies of local electrification ordinances showing reduced or cost-neutral construction costs and significant lifetime operational cost savings benefiting both owners and tenants. Commenters stated that there are other statewide programs providing technical assistance and incentives to offset costs associated with changing building practices.

Commenters opposed to the change stated that sustainable building is not a significant contributor to housing cost, and is a significant driver for developers to transition to construction methods that provide health and safety benefits. Several of these commenters stated that over the life of a project, the cost of complying with these point categories results in savings, although the development may have a higher initial cost. In stressing the importance of retaining this point category, commenters noted that the initial design and construction of a project is the most cost-effective time to incorporate sustainability.

Other developers supported the change, citing the resulting project cost reductions and impacts on total unit production. These commenters stated that the stringency of the current building code provides significant energy efficiency and sustainable building outcomes, and that TCAC should align with the state building code for TCAC's energy and sustainable building requirements.

Response to Comments: Staff proposed the removal of the Sustainable Building Methods point category due to the current emphasis on unit production and cost containment. The proposed change also aligns with the proposed CDLAC scoring system. Staff proposes to proceed with eliminating this point category, and to rely on local and California Building Code requirements to provide the energy efficiency and sustainability requirements for this program. Staff will consider the suggested changes and adding additional point scoring categories such as all-electric energy use for future regulation change proposals.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(c)(7)

Initial Proposed Change:

(7) Readiness to Proceed. 10 points will be available to projects that document ~~items (A) through (B) below,~~ enforceable financing commitment(s) as defined in Section 10325(f)(3) for all construction financing and commit to begin construction within 180 days of the Credit Reservation as documented by the requirements below (after preliminary reservation CTCAC will randomly assign a 180 day deadline for half of the projects receiving a Credit Reservation within each round and a 194 day deadline for remaining projects)~~,~~.

No later than the 180/194 day deadline, CTCAC must receive~~as evidenced by submission, within that time, of~~:

(A) a completed updated application form along with a detailed explanation of any changes from the initial application,

(B) an executed construction contract,

(C) recorded deeds of trust for all construction financing (unless a project's location on tribal trust land precludes this), binding commitments for permanent financing, binding commitments for any other financing required to complete project construction,

(D) a limited partnership agreement executed by the general partner and the investor providing the equity,

(E) an updated CTCAC Attachment 16, ~~payment of all construction lender fees,~~

(F) issuance of building permits (a grading permit does not suffice to meet this requirement except that in the event that the city or county as a rule does not issue building permits prior to the completion of grading, a grading permit shall suffice; if the project is a design-build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin) or the applicable tribal documents, and

(G) notice to proceed delivered to the contractor.

Failure to meet the 180-day or 194-day due date, if applicable, shall result in rescission of the Tax Credit Reservation or negative points.

If no construction lender is involved, evidence must be submitted within 180 or 194 days, as applicable, after the Reservation is made that the equity partner has been admitted to the ownership entity, and that an initial disbursement of funds has occurred. CTCAC shall conduct a financial feasibility and cost reasonableness analysis upon receiving submitted Readiness documentation.

~~For projects that are federal funding recipients and receiving competitive reservations in the second round of 2018, the 180-day or 194-day references in the preceding paragraph shall be extended by sixty (60) days. The extension is only provided to projects that demonstrate to CTCAC prior to the original 180-day or 194-day deadline, in the form of a written timetable and~~

~~an explanation, that the federal government shutdown impacted their ability to meet Readiness to Proceed requirements.~~

~~The 180-day or 194-day requirements shall not apply to projects that do not obtain the maximum points in this category. Failure to meet the 180-day or 194-day due date, if applicable, shall result in rescission of the Tax Credit Reservation or negative points. Five (5) points shall be awarded for submittals within the application documenting each of the following criteria, up to a maximum of 10 points:~~

~~(A) enforceable financing commitment, as defined in Section 10325(f)(3), for all construction financing;~~

~~(B) evidence, as verified by the appropriate officials on a Committee-provided form signed by an appropriate local government planning official of the applicable local jurisdiction, that all applicable local land use approvals have been obtained as described in Section 10325(f)(4).~~

~~For paragraph (B) a final appeal period may run up to 30 days beyond the application due date as described in Section 10325(f)(4). The applicant must provide proof that either no appeals were received, or that any appeals received during that time period were resolved within that 30-day period to garner local approval readiness points.~~

Comments Received: Commenters did not oppose the change, but made requests that included accepting Permit Ready-to-Issue letters from the local permit-issuing agency in lieu of the building permit and clarifying which penalty is applicable, credit rescission or negative points.

Response to Comments: TCAC staff does not propose to change the existing requirement that building permits be issued since the intent of this section is to begin construction within 180 day of the TCAC award. Regarding the penalty for not complying, the two options are to provide TCAC with discretion in choosing which to apply, based on individual circumstances.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(c)(9)

Initial Proposed Change:

(9) Tie Breakers

If multiple applications receive the same score, the following tie breakers shall be employed:

For applications for projects within single-jurisdiction regional competitions only (the City and County of San Francisco and the City of Los Angeles geographic apportionments), the first tiebreaker shall be the presence within the submitted application of a formal letter of support for the project from either the San Francisco Mayor's Office of Housing or the Los Angeles Housing + Community Investment Department respectively. Within those cities, and for all other applications statewide, the subsequent tiebreakers shall be as follows:

First, if an application's housing type goal has been met in the current funding round in the percentages listed in section 10315, then the application will be skipped (unless the application to be skipped is the highest ranked in the set-aside or geographic region) if there is another application with the same score and with a housing type goal that has not been met in the current funding round in the percentages listed in section 10315; and Second, the highest of the sum of the following:

(A) Leveraged soft resources, as described below, defraying residential costs to total residential project development costs. Except where a third-party funding commitment is explicitly defraying non-residential costs only, leveraged soft resources shall be discounted by the proportion of the project that is non-residential. Leveraged soft resources shall be demonstrated through documentation including but not limited to funding award letters, committed land donations, or documented project-specific local fee waivers.

Leveraged soft resources shall include all of the following:

(i) Public funds. "Public funds" include federal, tribal, state, or local government funds, including the outstanding principal balances of prior existing public debt or subsidized debt that has been or will be assumed in the course of an acquisition/rehabilitation transaction, except that outstanding principal balances for projects subject to an existing CTCAC regulatory agreement shall not be considered public funds if such loans were funded less than 30 years prior to the application deadline. Outstanding principal balances shall not include any accrued interest on assumed loans even where the original interest has been or is being recast as principal under a new loan agreement. Public funds shall include assumed principal balances only upon documented approval of the loan assumption or other required procedure by the public agency holding the promissory note.

In addition, public funds include funds already awarded under the Affordable Housing Program of the Federal Home Loan Bank (AHP), waivers resulting in quantifiable cost savings that are not required by federal or state law, local government fee reductions established in ordinance and not required by federal or state law that are available only to rental affordable housing for lower-income households and affordable ownership housing for moderate income households, or the value of land and improvements donated or leased by a public entity or donated as part of an inclusionary housing ordinance or other development agreement negotiated between a public entity and an unrelated private developer. The value of land leased by a public entity shall be discounted by the sum of upfront lease pre-payments and all mandatory lease payments in excess of $100 per year over the term of the lease, exclusive of residual receipt payments. Private loans that are guaranteed by a public entity (for example, RHS Section 538 guaranteed financing) shall not be counted as public funds, unless the loans have a designated repayment commitment from a public source other than rental or operating subsidies, such as the HUD Title VI Loan Guarantee Program involving Native American Housing Assistance and Self Determination Act (NAHASDA) funds. Land and building values, including for land donated or leased by a public entity or donated as part of an inclusionary housing ordinance or other development agreement, must be supported by an independent, third party appraisal consistent with the guidelines in Section 10322(h)(9). The appraised value is not to include off-site improvements. For Tribal apportionment applications, donated land value and land-purchase funding shall not be eligible. However, unsuccessful Tribal apportionment applicants subsequently competing within the rural set-aside or tribal applicants competing in a geographic region shall have such donated land value and land-purchase funding counted competitively as public funding if the land value is established in accordance with the requirements of this paragraph.

Loans must be "soft" loans, having terms (or remaining terms) of at least 15 years, and below market interest rates and interest accruals, and are either fully deferred or require only residual receipts payments for at least the first fifteen years of their terms. Qualified soft loans may have annual fees that reasonably defray compliance monitoring and asset management costs associated with the project. The maximum below-market interest rate allowed for tiebreaker purposes shall be the greater of four percent (4%) simple, or the Applicable Federal Rate if compounding. RHS Section 514 or 515 financing shall be considered soft debt in spite of a debt service requirement. Further, there shall be conclusive evidence presented that any new public funds have been firmly committed to the proposed project and require no further approvals, and that there has been no consideration other than the proposed housing given by anyone connected to the project, for the funds or the donated or leased land. Seller carryback financing and any portion of a loan from a public seller or related party that is less than or equal to sale proceeds due the seller, except for a public land loan to a new construction project that is not replacing affordable housing within the footprint of the original development, shall be excluded for purposes of the tiebreaker. Projects that include both new construction and rehabilitation or affordable housing replacement shall have the land loan value prorated based on units.

Public contributions of off-site costs shall not be counted competitively, unless (1) documented as a waived fee pursuant to a nexus study and relevant State Government Code provisions regulating such fees or (2) the off-sites must be developed by the sponsor as a condition of local approval and those off-sites consist solely of utility connections, and curbs, gutters, and sidewalks immediately bordering the property. Public funds shall be allocated to off-site costs and shall be reduced for tie breaker scoring purposes.

The capitalized value of rent differentials attributable to public rent or public operating subsidies shall be considered public funds based upon CTCAC underwriting standards. Standards shall include a 15-year loan term; an interest rate established annually by CTCAC based upon a spread over 10-year Treasury Bill rates; a 1.15 to 1 debt service coverage ratio; and a five percent (5%) vacancy rate. In addition, the rental income differential for subsidized units shall be established by subtracting tax credit rental income at 40 percent (40%) AMI levels (30% AMI for units subject to the 40% average AMI requirement of Section 10325(g)(3)(A)) from the committed contract rent income documented by the subsidy source or, in the case of a USDA rental subsidy only, the higher of 60% AMI rents or the committed contract USDA Basic rents. The committed contract rent income for units with existing project-based Section 8 rental subsidy shall be documented by the current monthly contract rent in place at the time of the application or by contract rent committed to and approved by the subsidy source (HUD); rent from a rent comparable study or post-rehabilitation rent shall not be permitted. The rent differential for projects with public operating subsidies shall equal the annual subsidy amount in year 1, provided the subsidy will be of a similar amount in succeeding years, or the aggregate subsidy amount of the contract divided by the number of years in the contract if the contract does not specify an annual subsidy amount.

(ii) soft loans that meet the criteria described in subparagraph (i) ~~(except that terms shall be of at least 55 years),~~ or grants, from unrelated non-public parties that are not covered by subparagraph (i) and that do not represent financing available through the National Mortgage Settlement Affordable Rental Housing Consumer Relief programs. The party providing the soft loans or grants shall not be a partner or proposed partner in the limited partnership (unless the partner has no ownership interest and only the right to complete construction) and shall not receive any benefit or funds from a related party to the project. The application shall include (1) a certification from an independent Certified Public Accountant (CPA) or independent tax attorney that the leveraged soft resource(s) is from an unrelated non-public entity(ies), that the unrelated non-public entity(ies) shall not receive any benefit or funds from a related party to the project, and that the leveraged soft resource(s) is available and not committed to any other project or use; and (2) a narrative from the applicant regarding the nature and source of the leveraged soft resource(s) and the conditions under which it was given. Seller carryback financing and any portion of a loan from a non-public seller or related party that is less than or equal to sale proceeds due the seller shall be excluded for purposes of the tiebreaker.

(iii) the value of donated land and improvements that are not covered by subparagraph (i), that meet the criteria described in subparagraph (i), and that are contributed by an unrelated entity (unless otherwise approved by the Executive Director), so long as the contributed asset has been held by the entity for at least 5 years prior to the application due date, except for the value of donated land and improvements in the case of a rehabilitation project subject to an existing regulatory agreement with CTCAC or a federal, state, or local public entity or with greater than 25% of the units receiving project-based rental assistance unless the land and improvements are wholly donated. For a case in which the donor is a non-profit organization acting solely as a pass-through entity, the Executive Director may in advance of the application date approve an exception to the 5-year hold rule provided that the donor to the non-profit organization held the contributed asset for at least 5 years and that both the original donor and nonprofit donor meet the requirements of, and are included in the certifications required by, this paragraph. The party providing the donation shall not be a partner or proposed partner in the limited partnership (unless the partner has no ownership interest and only the right to complete construction) and shall not receive any benefit from a related party to the project. In addition, the land shall not have been owned previously by a related party or a partner or proposed partner (unless the partner has no ownership interest and only the right to complete construction). The application shall include a certification from an independent Certified Public Accountant (CPA) or independent tax attorney that the donation is from an unrelated entity and that the unrelated entity shall not receive any benefit from a related party to the project.

(iv) For purposes of this section, a related party shall mean a member of the development team or a Related Party, as defined in Section 10302(gg), to a member of the development team.

(v) For 4% credit applications, recycled private activity bonds (whether they be used for construction or permanent financing, or both) shall be considered leveraged soft resources so long as the loan terms are consistent with market standards.

Permanent funding sources for this tiebreaker shall not include equity commitments related to the Low Income Housing Tax Credits.

Land donations include land leased for a de minimis annual lease payment. CTCAC may contract with an appraisal reviewer and, if it does so, shall commission an appraisal review for donated land and improvements if a reduction of 15% to the submitted appraisal value would change an award outcome. If the appraisal review finds the submitted appraisal to be inappropriate, misleading, or inconsistent with the data reported and with other generally known information, then the reviewer shall develop his or her own opinion of value and CTCAC shall use the opinion of value established by the appraisal reviewer for calculating the tiebreaker only.

The numerator of projects of 50 or more newly constructed or adaptive reuse Tax Credit Units shall be multiplied by a size factor equal to seventy five percent plus the total number of newly constructed or adaptively reused Tax Credit Units divided by 200 (75% + (total new construction/adaptive reuse units/200)). The size factor calculation shall be limited to no more than 150 Tax Credit Units.

In the case of a new construction hybrid 9% and 4% tax credit development which meets all of the following conditions, the calculation of the size factor for the 9% application shall include all of the Tax Credit Units in the 4% application up to the limit described above, the leveraged soft resources ratio calculated pursuant to this subparagraph (A) shall utilize the combined amount of leveraged soft resources defraying residential costs and the combined total residential project development costs from both the 9% and 4% applications, and the ratio calculated pursuant to subparagraph (B) shall also utilize the combined total residential project development costs from both the 9% and 4% applications:

(i) the 4% application shall have been submitted to CTCAC and CDLAC by the 9% application deadline;
(ii) the 4% and 9% projects are simultaneous phases, as defined in Section 10327(c)(2)(C);
(iii) the 4% application is eligible for maximum points under Sections 10325(c)(3), (4)(B), (5), and (6), except that 1) the 4% application may be eligible for maximum points in the lowest income category in combination with the 9% project, and 2) the 4% application may be eligible for maximum housing type points in combination with the 9% project. Under each exception, the 9% project shall also be scored in the corresponding point category in combination with the 4% project; and
(iv) developers shall defer or contribute as equity to the project any amount of combined 4% and 9% developer fees in cost that are in excess of the limit pursuant to Section 10327(c)(2)(A) plus $10,000 per unit for each Tax Credit Unit in excess of 100, using (a) the combined Tax Credit Units of the 9% and 4% components, (b) the combined eligible basis of the 9% and 4% components, and (c) the high-cost test factor calculated using the eligible basis and threshold basis limits for the 9% component.

In the event that the 4% component of a hybrid project that receives an increase to its size factor pursuant to this paragraph is not placed in service within 6 months of the 9% component, both applicants shall be subject to negative points. If the project's paid purchase price exceeds appraised value, the leveraged soft resources amount shall be discounted by the overage, unless the Executive Director has granted a waiver pursuant to Section 10327(c)(6).

(B) One (1) minus the ratio of requested unadjusted eligible basis to total residential project development costs~~, with the resulting figure divided by three~~.

(C) Except as provided below, a new construction ~~large-family~~Large Family housing type project ~~applying in 2019 or later~~ (excluding a Special Needs project with non-special needs Low-Income Units meeting Large Family housing type requirements) shall receive a higher resource area bonus as follows based on the designation of the project's location on the TCAC/HCD Opportunity Area Map:

The project is non-rural and the project's census tract is a Highest Resource area 20 percentage points

The project is non-rural and the project's census tract is a High Resource area 10 percentage points

The project is rural and project’s census tract or census block group as applicable is a Highest Resource area 10 percentage points

The project is rural and the project’s census tract or census block group as applicable is a High Resource area 5 percentage points

This bonus shall not apply to projects competing in the Native American apportionment, unless such projects fall into the rural set-aside competition. In addition, this bonus shall not apply to an inclusionary project, which for purposes of this subparagraph shall mean a project in which any of the Low-Income Units satisfy the obligations of an inclusionary housing ordinance or other development agreement negotiated between a public entity and private developer, unless the obligations derive solely from the Low-Income Units themselves or unless the project includes at least 40 Low-Income Units that are not counted towards the obligations of the inclusionary housing ordinance or development agreement. An application for a large family new construction project located in a High or Highest Resource area shall disclose whether or not the project includes any Low-Income Units which satisfy the obligations of an inclusionary housing ordinance or development agreement and, if so, the number of such units and whether the inclusionary obligations derive solely from the Low-Income Units themselves.

An applicant may choose to utilize the census tract, or census block group as applicable, resource designation from the TCAC/HCD Opportunity Maps in effect when the initial site control was obtained up to seven calendar years prior to the application.

The resulting tiebreaker score must not have decreased following award or negative points may be awarded.

Comments Received: One commenter supported the proposed change to not skip the highest scoring project in a given region even if the housing type goal has been met.

Multiple comments were received with regard to outstanding principal balances for existing TCAC projects being counted towards the final tie breaker score. One commenter supported the proposed change which further prevents “churning” of projects that are already regulated by TCAC. Some commenters opposed the proposed change stating it would will make re-syndication projects less competitive in the 9% competition. Some commenters stated that public debt is generally extended as part of a re-syndication or at the end of its term such that newer and older debt has the same value. One commenter suggested the 30 years being proposed be reduced to less than 20 years given that most affordable projects need to be rehabilitated and recapitalized after 20 years.

One commenter noted the language with regard to the public contributions of off-site costs appeared to be due to a drafting error and suggested alternative language to provide clarity.

One commenter supported the proposed change by restricting the use of post-rehabilitation rents to avoid artificially inflating the public benefit associated with rental assistance. One commenter opposed the proposed change to the capitalized value of rent differential and stated the post-rehabilitation contract rent should be permitted to count in the leveraged soft resources section if the applicant has a commitment from a subsidy provider at the time of application. One commenter noted that the proposed regulation change requires that the tie breaker calculation be calculated based on the seller's existing contract rent rather than the more realistic expected rent and the rents presented for feasibility of the property and loan sizing be based on the seller's existing contract rent rather than the more realistic expected rent. The commenter stated this was counterproductive in two ways in that the tie breaker calculation may be calculating a figure that is substantially or even greatly different from what will be the final obtained rent and thus the tiebreaker is not accurately derived based on the expected rent and the financial structure of the property may be affected by reducing permanent loan sizing and possibly increasing the request for tax credits, as a result of the inability to list the expected post renovation rent. The commenter recommends requiring a Project-based Section 8 project submit a Rent Comparability Study supporting the post renovation rents but not to require that HUD has gone through the lengthy process of formally approving the expected rent prior to application submission.

Some commenters recommended TCAC staff withdraw the removal of the 55 year requirement for third party soft debt. The commenters stated that unlike public debt of less than 55 years, which are generally extended, developments are in no position to repay private soft debt as the end of a short term, putting the development at significant risk of foreclosure and erasure of the affordability restrictions long before their 55 years expiration. The commenters recommend retaining the 55 year term for private soft debt.

Multiple comments were received with regard to the inclusion of recycled bonds as a public source for 4% projects. One commenter supported the proposed change stating it is a very positive move that will encourage the use of this resource, better preparing the development community for potential federal legislation that could increase the amount of bonds that can be used for affordable housing. One commenter described recycled bonds as hard debt with a lower interest rate and did not believe they were comparable to public sources. A commenter noted an alternative was to include the capitalized benefit of the interest rate differential as a public source.

The proposed elimination of the 1/3 weighting of the second ratio in the final tie breaker calculation received multiple comments. Multiple commenters supported the removal of the 1/3 rule, stating that it complies with AB 83's mandate to contain costs and increase production. One commenter stated the proposed change will strike a better balance between the value of public funding and cost containment. Other commenters stated that by eliminating the 1/3 weighting, developers inflated their project costs to improve their tie breaker score. Another commenter stated implementation of this type of change would affect projects currently in progress and urges a delayed implementation to 2022. The commenter recommended modifying the weighting from 1/3 to 1/2 if a change must be made and again with delayed implementation to 2022. One commenter stated emphasizing the second ratio in an era when credit pricing is down, and development costs are already high is counter-productive to facilitating successful tax credit deals.

Multiple comments were received on the clarifying proposed change with regard to Large Family projects located in high or highest resource areas. One commenter believes the development of all housing types in high resource areas is critical and suggest expanding the increases to include special needs housing. Another commenter agreed and stated CDLAC made a similar proposal which will allow for increased affordable housing opportunities for special needs projects.

Response to Comments: While TCAC staff is understanding of the comments in response to the comments with regard to outstanding balances, TCAC staff believes that given the current emphasis on unit production and efficiency, TCAC staff does not believe projects proposing a re-syndication of existing tax credit projects should receive a competitive advantage for 9% credits over new affordable housing projects.

TCAC staff appreciates the comment and suggested revised language to public contributions of off-site costs. While TCAC staff did not ultimately use the suggested language, the initially proposed language was reviewed and revised to provide further clarity that ineligible off-site costs will be excluded from final tie breaker score.

While TCAC staff acknowledges HUD may have a lengthy process for approval of the expected rents, TCAC continues to recommend the initial proposed change to more clearly establish the TCAC's practice in evaluating the capitalized value of rent differentials from the final tie breaker score into the regulations. Absent a subsidy layering review, TCAC staff does not believe reliance on a rent comparable study is appropriate given the competitive nature of the tie breaker scoring.

TCAC staff concurs with the comments relating to the minimum 55 year term and withdraws the proposed change.

TCAC staff understands the comments raised, but believes the proposed change will encourage the efficient use of recycled private activity bonds as a public funding source to align with the proposed CDLAC scoring system. TCAC staff will monitor this with CDLAC and consider this for future regulation changes.

TCAC staff appreciates the thoughtful comments received on the propose change. As previously stated, the proposed change to eliminate the 1/3 weighting was to provide the second ratio more weighting to encourage cost containment. In response to the concerns raised that the propose change would increase project costs, TCAC staff will monitor the effects on project costs in 2021 for any need to revisit an adjustment to the ratio.

As previously stated, TCAC proposed the change to Large Family projects located in high or highest resource areas was a clarifying change and consistent with current practice. While staff finds some comments to have merit, the opportunity map was developed in 2017 to increase access to high opportunity areas for families with children.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes

(9) Tie Breakers

If multiple applications receive the same score, the following tie breakers shall be employed:

For applications for projects within single-jurisdiction regional competitions only (the City and County of San Francisco and the City of Los Angeles geographic apportionments), the first tiebreaker shall be the presence within the submitted application of a formal letter of support for the project from either the San Francisco Mayor's Office of Housing or the Los Angeles Housing + Community Investment Department respectively. Within those cities, and for all other applications statewide, the subsequent tiebreakers shall be as follows:

First, if an application's housing type goal has been met in the current funding round in the percentages listed in section 10315, then the application will be skipped (unless the application to be skipped is the highest ranked in the set-aside or geographic region) if there is another application with the same score and with a housing type goal that has not been met in the current funding round in the percentages listed in section 10315; and Second, the highest of the sum of the following:

(C) Leveraged soft resources, as described below, defraying residential costs to total residential project development costs. Except where a third-party funding commitment is explicitly defraying non-residential costs only, leveraged soft resources shall be discounted by the proportion of the project that is non-residential. Leveraged soft resources shall be demonstrated through documentation including but not limited to funding award letters, committed land donations, or documented project-specific local fee waivers.

Leveraged soft resources shall include all of the following:

(i) Public funds. "Public funds" include federal, tribal, state, or local government funds, including the outstanding principal balances of prior existing public debt or subsidized debt that has been or will be assumed in the course of an acquisition/rehabilitation transaction, except that outstanding principal balances for projects subject to an existing CTCAC regulatory agreement shall not be considered public funds if such loans were funded less than 30 years prior to the application deadline. Outstanding principal balances shall not include any accrued interest on assumed loans even where the original interest has been or is being recast as principal under a new loan agreement. Public funds shall include assumed principal balances only upon documented approval of the loan assumption or other required procedure by the public agency holding the promissory note.

In addition, public funds include funds already awarded under the Affordable Housing Program of the Federal Home Loan Bank (AHP), waivers resulting in quantifiable cost savings that are not required by federal or state law, local government fee reductions established in ordinance and not required by federal or state law that are available only to rental affordable housing for lower-income households and affordable ownership housing for moderate income households, or the value of land and improvements donated or leased by a public entity or donated as part of an inclusionary housing ordinance or other development agreement negotiated between a public entity and an unrelated private developer. The value of land leased by a public entity shall be discounted by the sum of upfront lease pre-payments and all mandatory lease payments in excess of $100 per year over the term of the lease, exclusive of residual receipt payments. Private loans that are guaranteed by a public entity (for example, RHS Section 538 guaranteed financing) shall not be counted as public funds, unless the loans have a designated repayment commitment from a public source other than rental or operating subsidies, such as the HUD Title VI Loan Guarantee Program involving Native American Housing Assistance and Self Determination Act (NAHASDA) funds. Land and building values, including for land donated or leased by a public entity or donated as part of an inclusionary housing ordinance or other development agreement, must be supported by an independent, third party appraisal consistent with the guidelines in Section 10322(h)(9). The appraised value is not to include off-site improvements. For Tribal apportionment applications, donated land value and land-purchase funding shall not be eligible. However, unsuccessful Tribal apportionment applicants subsequently competing within the rural set-aside or tribal applicants competing in a geographic region shall have such donated land value and land-purchase funding counted competitively as public funding if the land value is established in accordance with the requirements of this paragraph.

Loans must be "soft" loans, having terms (or remaining terms) of at least 15 years, and below market interest rates and interest accruals, and are either fully deferred or require only residual receipts payments for at least the first fifteen years of their terms. Qualified soft loans may have annual fees that reasonably defray compliance monitoring and asset management costs associated with the project. The maximum below-market interest rate allowed for tiebreaker purposes shall be the greater of four percent (4%) simple, or the Applicable Federal Rate if compounding. RHS Section 514 or 515 financing shall be considered soft debt in spite of a debt service requirement. Further, there shall be conclusive evidence presented that any new public funds have been firmly committed to the proposed project and require no further approvals, and that there has been no consideration other than the proposed housing given by anyone connected to the project, for the funds or the donated or leased land. Seller carryback financing and any portion of a loan from a public seller or related party that is less than or equal to sale proceeds due the seller, except for a public land loan to a new construction project that is not replacing affordable housing within the footprint of the original development, shall be excluded for purposes of the tiebreaker. Projects that include both new construction and rehabilitation or affordable housing replacement shall have the land loan value prorated based on units.

Public contributions of off-site costs shall not be counted competitively, unless (1) documented as a waived fee pursuant to a nexus study and relevant State Government Code provisions regulating such fees or (2) the off-sites must be developed by the sponsor as a condition of local approval and those off-sites consist solely of utility connections, and curbs, gutters, and sidewalks immediately bordering the property. Public funds shall be ~~allocated to off-site costs and shall be~~ reduced for tie breaker scoring purposes by an amount equal to the off-sites not meeting the requirements noted in this paragraph.

The capitalized value of rent differentials attributable to public rent or public operating subsidies shall be considered public funds based upon CTCAC underwriting standards. Standards shall include a 15-year loan term; an interest rate established annually by CTCAC based upon a spread over 10-year Treasury Bill rates; a 1.15 to 1 debt service coverage ratio; and a five percent (5%) vacancy rate. In addition, the rental income differential for subsidized units shall be established by subtracting tax credit rental income at 40 percent (40%) AMI levels (30% AMI for units subject to the 40% average AMI requirement of Section 10325(g)(3)(A)) from the committed contract rent income documented by the subsidy source or, in the case of a USDA rental subsidy only, the higher of 60% AMI rents or the committed contract USDA Basic rents. The committed contract rent income for units with existing project-based Section 8 rental subsidy shall be documented by the current monthly contract rent in place at the time of the application or by contract rent committed to and approved by the subsidy source (HUD); rent from a rent comparable study or post-rehabilitation rent shall not be permitted. The rent differential for projects with public operating subsidies shall equal the annual subsidy amount in year 1, provided the subsidy will be of a similar amount in succeeding years, or the aggregate subsidy amount of the contract divided by the number of years in the contract if the contract does not specify an annual subsidy amount.

(ii) soft loans that meet the criteria described in subparagraph (i) (except that terms shall be of at least 55 years), or grants, from unrelated non-public parties that are not covered by subparagraph (i) and that do not represent financing available through the National Mortgage Settlement Affordable Rental Housing Consumer Relief programs. The party providing the soft loans or grants shall not be a partner or proposed partner in the limited partnership (unless the partner has no ownership interest and only the right to complete construction) and shall not receive any benefit or funds from a related party to the project. The application shall include (1) a certification from an independent Certified Public Accountant (CPA) or independent tax attorney that the leveraged soft resource(s) is from an unrelated non-public entity(ies), that the unrelated non-public entity(ies) shall not receive any benefit or funds from a related party to the project, and that the leveraged soft resource(s) is available and not committed to any other project or use; and (2) a narrative from the applicant regarding the nature and source of the leveraged soft resource(s) and the conditions under which it was given. Seller carryback financing and any portion of a loan from a non-public seller or related party that is less than or equal to sale proceeds due the seller shall be excluded for purposes of the tiebreaker.

(iii) the value of donated land and improvements that are not covered by subparagraph (i), that meet the criteria described in subparagraph (i), and that are contributed by an unrelated entity (unless otherwise approved by the Executive Director), so long as the contributed asset has been held by the entity for at least 5 years prior to the application due date, except for the value of donated land and improvements in the case of a rehabilitation project subject to an existing regulatory agreement with CTCAC or a federal, state, or local public entity or with greater than 25% of the units receiving project-based rental assistance unless the land and improvements are wholly donated. For a case in which the donor is a non-profit organization acting solely as a pass-through entity, the Executive Director may in advance of the application date approve an exception to the 5-year hold rule provided that the donor to the non-profit organization held the contributed asset for at least 5 years and that both the original donor and nonprofit donor meet the requirements of, and are included in the certifications required by, this paragraph. The party providing the donation shall not be a partner or proposed partner in the limited partnership (unless the partner has no ownership interest and only the right to complete construction) and shall not receive any benefit from a related party to the project. In addition, the land shall not have been owned previously by a related party or a partner or proposed partner (unless the partner has no ownership interest and only the right to complete construction). The application shall include a certification from an independent Certified Public Accountant (CPA) or independent tax attorney that the donation is from an unrelated entity and that the unrelated entity shall not receive any benefit from a related party to the project.

(iv) For purposes of this section, a related party shall mean a member of the development team or a Related Party, as defined in Section 10302(gg), to a member of the development team.

(v) For 4% credit applications, recycled private activity bonds (whether they be used for construction or permanent financing, or both) shall be considered leveraged soft resources so long as the loan terms are consistent with market standards.

Permanent funding sources for this tiebreaker shall not include equity commitments related to the Low Income Housing Tax Credits.

Land donations include land leased for a de minimis annual lease payment. CTCAC may contract with an appraisal reviewer and, if it does so, shall commission an appraisal review for donated land and improvements if a reduction of 15% to the submitted appraisal value would change an award outcome. If the appraisal review finds the submitted appraisal to be inappropriate, misleading, or inconsistent with the data reported and with other generally known information, then the reviewer shall develop his or her own opinion of value and CTCAC shall use the opinion of value established by the appraisal reviewer for calculating the tiebreaker only.

The numerator of projects of 50 or more newly constructed or adaptive reuse Tax Credit Units shall be multiplied by a size factor equal to seventy five percent plus the total number of newly constructed or adaptively reused Tax Credit Units divided by 200 (75% + (total new construction/adaptive reuse units/200)). The size factor calculation shall be limited to no more than 150 Tax Credit Units.

In the case of a new construction hybrid 9% and 4% tax credit development which meets all of the following conditions, the calculation of the size factor for the 9% application shall include all of the Tax Credit Units in the 4% application up to the limit described above, the leveraged soft resources ratio calculated pursuant to this subparagraph (A) shall utilize the combined amount of leveraged soft resources defraying residential costs and the combined total residential project development costs from both the 9% and 4% applications, and the ratio calculated pursuant to subparagraph (B) shall also utilize the combined total residential project development costs from both the 9% and 4% applications:

(v) the 4% application shall have been submitted to CTCAC and CDLAC by the 9% application deadline;
(vi) the 4% and 9% projects are simultaneous phases, as defined in Section 10327(c)(2)(C);
(vii) the 4% application is eligible for maximum points under Sections 10325(c)(3), (4)(B), (5), and (6), except that 1) the 4% application may be eligible for maximum points in the lowest income category in combination with the 9% project, and 2) the 4% application may be eligible for maximum housing type points in combination with the 9% project. Under each exception, the 9% project shall also be scored in the corresponding point category in combination with the 4% project; and
(viii) developers shall defer or contribute as equity to the project any amount of combined 4% and 9% developer fees in cost that are in excess of the limit pursuant to Section 10327(c)(2)(A) plus $10,000 per unit for each Tax Credit Unit in excess of 100, using (a) the combined Tax Credit Units of the 9% and 4% components, (b) the combined eligible basis of the 9% and 4% components, and (c) the high-cost test factor calculated using the eligible basis and threshold basis limits for the 9% component.

In the event that the 4% component of a hybrid project that receives an increase to its size factor pursuant to this paragraph is not placed in service within 6 months of the 9% component, both applicants shall be subject to negative points. If the project's paid purchase price exceeds appraised value, the leveraged soft resources amount shall be discounted by the overage, unless the Executive Director has granted a waiver pursuant to Section 10327(c)(6).

(D) One (1) minus the ratio of requested unadjusted eligible basis to total residential project development costs~~, with the resulting figure divided by three~~.

(C) Except as provided below, a new construction ~~large-family~~Large Family housing type project ~~applying in 2019 or later~~ (excluding a Special Needs project with non-special needs Low-Income Units meeting Large Family housing type requirements) shall receive a higher resource area bonus as follows based on the designation of the project's location on the TCAC/HCD Opportunity Area Map:

The project is non-rural and the project's census tract is a Highest Resource area 20 percentage points

The project is non-rural and the project's census tract is a High Resource area 10 percentage points

The project is rural and project's census tract or census block group as applicable is a Highest Resource area 10 percentage points

The project is rural and the project's census tract or census block group as applicable is a High Resource area 5 percentage points

This bonus shall not apply to projects competing in the Native American apportionment, unless such projects fall into the rural set-aside competition. In addition, this bonus shall not apply to an inclusionary project, which for purposes of this subparagraph shall mean a project in which any of the Low-Income Units satisfy the obligations of an inclusionary housing ordinance or other development agreement negotiated between a public entity and private developer, unless the obligations derive solely from the Low-Income Units themselves or unless the project includes at least 40 Low-Income Units that are not counted towards the obligations of the inclusionary housing ordinance or development agreement. An application for a large family new construction project located in a High or Highest Resource area shall disclose whether or not the project includes any Low-Income Units which satisfy the obligations of an inclusionary housing ordinance or development agreement and, if so, the number of such units and whether the inclusionary obligations derive solely from the Low-Income Units themselves.

An applicant may choose to utilize the census tract, or census block group as applicable, resource designation from the TCAC/HCD Opportunity Maps in effect when the initial site control was obtained up to seven calendar years prior to the application.

The resulting tiebreaker score must not have decreased following award or negative points may be awarded.

Section 10325(f)(1)

Initial Proposed Change:

(1) Housing need and demand. Applicants shall provide evidence that the type of housing proposed, including proposed rent levels, is needed and affordable to the targeted population within the community in which it is located, with evidence including a market study that meets the current market study guidelines distributed by the Committee. Market studies will be assessed thoroughly. Meeting the requirements of subsection (B) below is essential, but because other elements of the market study will also be considered, meeting those requirements in subsection (B) will not in itself show adequate need and demand for a proposed project or ensure approval of a given project. Evidence shall be conclusive, and include the most recent documentation available (prepared within one year of the application date and updated, if necessary). Evidence of housing need and demand shall include, but is not limited to:

(A) evidence of public housing waiting lists, by bedroom size and tenant type, if available, from the local housing authority; and

(B) except as provided in Section 10322(h)(10), a market study as described in Section 10322(h)(10) of these regulations, which provides evidence that:

(i) The proposed tenant paid rents for each affordable unit type in the proposed development will be at least ten percent (10%) below the weighted average rent for the same unit types in comparable market rate rental properties;

(ii) Except for special needs rehabilitation projects in which at least 90% of the total units are SRO units, the proposed unit value ratio stated as dollars per square foot ($/s.f.) will be no more than the weighted average unit value ratios for comparable market rate units;

(iii) In rural areas without sufficient three- and four-bedroom market rate rental comparables, the market study must show that in comparison to three- and four-bedroom market rate single family homes, the affordable rents will be at least 20% below the rents for single family homes and the $/s.f. ratio will not exceed that of the single family homes; and

(iv) The demand for the proposed project's units must appear strong enough to reach stabilized occupancy – 90% occupancy for Special Needs projects and 95% for all other projects – within six months of being placed in service for projects of 150 units or less, and within 12 months for projects of more than 150 units and senior projects.

~~Market studies will be assessed thoroughly. Meeting the requirements of subsection (B) above is essential, but because other elements of the market study will also be considered, meeting those requirements in subsection (B) will not in itself show adequate need and demand for a proposed project or ensure approval of a given project.~~

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(f)(2)

Initial Proposed Change:

(2) Demonstrated site control. Applicants shall provide evidence that the subject property is within the control of the applicant.

(A) Site control may be evidenced by:

(i) a current title report ~~(~~within 90 days of application except as provided in section 10322(h)(35) (or preliminary title report, but not title insurance or commitment to insure) showing the applicant holds fee title or, for tribal trust land, a title status report or an attorney's opinion regarding chain of title and current title status;

(ii) an executed lease agreement or lease option for the length of time the project will be regulated under this program connecting the applicant and the owner of the subject property;

(iii) an executed disposition and development agreement connecting the applicant and a public agency; or,

(iv) a valid, current, enforceable contingent purchase and sale agreement or option agreement connecting the applicant and the owner of the subject property. Evidence must be provided at the time of the application that all extensions and other conditions necessary to keep the agreement current through the application filing deadline have been executed.

(B) A current title report ~~(~~within 90 days of application except as provided in Section 10322(h)(35) (or preliminary title report, but not title insurance or commitment to insure) or for tribal trust land a title status report or an attorney's opinion regarding chain of title and current title status, shall be submitted with all applications for purposes of this threshold requirement.

(C) The Executive Director may determine, in her/his sole discretion, that site control has been demonstrated where a local agency has demonstrated its intention to acquire the site, or portion of the site, through eminent domain proceedings.

Comments Received: One commenter opposed the change, stating that a title insurance policy issued to a buyer at the time of purchase (if within 90 days of application) is better evidence than a preliminary title report.

Response to Comments: This is a conforming change to align with CDLAC, and staff will proceed with the proposed change unless modified by CDLAC.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(f)(4)

Initial Proposed Change:

(4) Local approvals and Zoning. Applicants shall provide evidence, at the time the application is filed, that the project as proposed is zoned for the intended use, and has obtained all applicable local land use approvals which allow the discretion of local elected officials to be applied, except that an appeal period may run 30 days beyond that application due date. ~~The applicant must provide proof that either no appeals were filed, or that any appeals filed during that time period were resolved within that 30-day period and the project is ready to proceed.~~ Examples of such approvals include, but are not limited to, general plan amendments, rezonings, and conditional use permits. Notwithstanding the first sentence of this subsection, local land use approvals not required to be obtained at the time of application include, design review, initial environmental study assessments, variances, and development agreements. The evidence must describe the local approval process, the applicable approvals, and whether each required approval is "by right," ministerial, or discretionary. When the appeal period, if any, is concluded, the applicant must provide proof that either no appeals were filed, or that any appeals filed during that time period were resolved within that 30-day period and the project is ready to proceed.

The Committee may require, as evidence to meet this requirement, submission of a Committee-provided form letter to be signed by an appropriate local government planning official of the applicable local jurisdiction, including acknowledgment of any zoning or land use approvals pursuant to a state streamlined approval requirement.

Comments Received: One commenter stated the changes are reasonable and encourage TCAC to update its forms so that it is easy for local jurisdictions to provide the information that TCAC requires. Another commenter supported the intent of the proposed change and recommends revisions to TCAC Application Attachment 26 and also allow applicants to demonstrate administrative approval for projects subject to streamlined entitlement processes which eliminate discretionary approval has been received by the application filing deadline. Another commenter believed the proposed change puts too much of an administrative burden on local jurisdictions especially given the limited resources and limited staff. The commenter urged TCAC staff to allow the applicant to provide an explanation to any issues regarding the entitlement process and then use the LRA process to confirm any concerns.

Response to Comments: As previously stated, local jurisdictions have unique processes and processes and TCAC staff is unable to uniformly and consistently apply the requirements of this section without a better understanding of those local processes and requirements. TCAC staff intends to update TCAC application attachments to assist the local jurisdictions to document the required approvals. While the proposed change would require additional explanation from the local jurisdiction, TCAC staff believe additional detail surrounding each local jurisdiction process will provide consistency during the application reviews.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(f)(7)

Initial Proposed Change (as revised on November 10, 2020):

(7) Minimum construction standards. For preliminary reservation applications, applicants shall provide a statement that the following minimum specifications will be incorporated into the project design for all new construction and rehabilitation projects. In addition, a statement shall commit the property owner to at least maintaining the installed energy efficiency and sustainability features' quality when replacing each of the following listed systems or materials:

(A) Energy Efficiency. ~~New construction and rehabilitation non-competitive applicants shall consult with the design team, a CABEC certified 2019 Certified Energy Analyst, and a LEED AP homes (low-rise and mid-rise), LEED AP BD+C (high-rise), NGBS Green Verifier, or GreenPoint Rater (one person may meet both of these latter qualifications) early in the project design process to evaluate a building energy model analysis and identify and consider energy efficiency, generation measures, and energy storage beyond those required by this subsection. Prior to the meeting, the energy analyst shall complete an initial energy model based on either current Title 24 standards or, if the project is eligible, the California Utility Allowance Calculator using best available information on the project. All non-competitive applications to CTCAC shall include a copy of the model results, meeting agenda, list of attendees, and major outcomes of the meeting.~~ All rehabilitated buildings, both competitive and non-competitive, shall have improved energy efficiency above the modeled energy consumption of the building(s) based on existing conditions documented using the Sustainable Building Method Workbook's CTCAC Existing Multifamily Assessment Protocols and reported using the CTCAC Existing Multifamily Assessment Report template. Rehabilitated buildings shall document at least a 10% post-rehabilitation improvement over existing conditions energy efficiency achieved for the project as a whole, except that Scattered Site applications shall also document at least a 5% post-rehabilitation improvement over existing conditions energy efficiency achieved for each site. In the case of projects in which energy efficiency improvements have been completed within five years prior to the application date pursuant to a public or regulated utility program or other governmental program that established existing conditions of the systems being replaced using a HERS Rater, the applicant may include the existing conditions of those systems prior to the improvements. Furthermore, rehabilitation applicants must submit a completed Sustainable Building Method Workbook with their ~~preliminary reservation~~placed-in-service application unless they are developing a project in accordance with the minimum requirements of Leadership in Energy & Environmental Design (LEED), Passive House Institute US (PHIUS), Passive House, Living Building Challenge, National Green Building Standard ICC / ASRAE – 700 silver or higher rating or GreenPoint Rated Program.~~ In addition, all applicants who will receive points from CDLAC pursuant to Sections 5230(k)(7) or (8) (for energy efficiency only) of the CDLAC regulations must submit a completed Sustainable Building Method Workbook with their preliminary reservation application.~~

(B) Landscaping. If landscaping is to be provided or replaced, a variety of plant and tree species that require low water use shall be provided in sufficient quantities based on landscaping practices in the general market area and low maintenance needs. Projects shall follow the requirements of the state Model Water Efficient Landscape Ordinance (http://www.water.ca.gov/wateruseefficiency/landscapeordinance/) unless a local landscape ordinance has been determined to be at least as stringent as the current model ordinance.

(C) Roofs. Newly installed roofing shall carry a three-year subcontractor guarantee and at least a 20-year manufacturer's warranty.

(D) Exterior doors. If exterior doors are to be provided or replaced, insulated or solid core, flush, paint or stain grade exterior doors shall be made of metal clad, hardwood faces, or fiberglass faces, with a standard one-year guarantee and all six sides ~~factory ~~primed.

(E) Appliances. All Low-Income Units shall provide a refrigerator. All non-SRO Low-Income Units shall provide a ~~stove~~range (cooktop and oven), and all SRO Low-Income Units shall include a cooking facility (at least a cooktop or microwave). The Executive Director may waive the refrigerator and cooking facility requirement for SRO units if the project includes a common area kitchen facility for tenants. Refrigerators, dishwashers, clothes washers and dryers provided or replaced within Low-Income Units and/or in on-site community facilities shall be ENERGY STAR rated appliances, unless waived by the Executive Director.

(F) Window coverings. Window coverings shall be provided and may include fire retardant drapes or blind.

(G) Water heater. If water heaters are to be provided or replaced, for Low-Income Units with individual tank-type water heaters, minimum capacities are to be 28 gallons for one- and two-bedroom units and 38 gallons for three-bedroom units or larger.

(H) Floor coverings. If floor coverings are to be provided or replaced, a hard, water resistant, cleanable surface shall be required for all kitchen and bath areas. Any carpet provided or replaced shall comply with U.S. Department of Housing and Urban Development/Federal Housing Administration UM44D.

(I) All fiberglass-based insulation provided or replaced shall meet the Greenguard Gold Certification (http://greenguard.org/en/CertificationPrograms/CertificationPrograms_childrenSch ools.aspx).

(J) Consistent with California State law, projects with 16 or more Low-Income and Market-Rate Units must have an on-site manager's unit. Projects with at least 161 Low-Income and Market-Rate Units shall provide a second on-site manager's unit for either another on-site manager or other maintenance personnel, and there shall be one additional on-site manager's unit for either another on-site manager or other maintenance personnel for each 80 Low-Income and Market-Rate Units beyond 161 units, up to a maximum of four on-site manager's units.

Scattered site projects totaling 16 or more Low-Income and Market-Rate Units must have at least one onsite manager's unit for the entire project, and at least one manager's unit at each site where that site's building(s) consist of 16 or more Low-Income and Market-Rate Units. Scattered sites within 100 yards of each other shall be treated as a single site for purposes of the on-site manager rule only.

If an applicant or project owner proposes to utilize a low-income unit to meet California and CTCAC manager unit requirements, the following applies: (1) the unit is considered a low-income restricted unit and must comply with all requirements associated with low-income restricted units; (2) the unit is included in the applicable fraction; and (3) the tenant cannot be evicted upon employment termination. If employment is terminated, the project owner is responsible for continuing to meet California and CTCAC onsite manager unit requirements. Any application proposing to utilize a low-income unit to meet California and CTCAC manager unit requirements must include a description in the application of how the project will meet those requirements if employment is terminated.

In lieu of on-site manager units, a project may commit to employ an equivalent number of on-site full-time property management staff (at least one of whom is a property manager) and provide an equivalent number of desk or security staff who are not tenants and are capable of responding to emergencies for the hours when property management staff is not working. All staff or contractors performing desk or security work shall be knowledgeable of how the property's fire system operates and be trained in, and have participated in, fire evacuation drills for tenants. CTCAC reserves the right to require that one or more on-site managers' units be provided and occupied by property management staff if, in its sole discretion, it determines as part of any onsite inspection that the project has not been adequately operated and/or maintained.

(K) All new construction projects shall adhere to the provisions of California Building Code (CBC) Chapter 11(B) regarding accessibility to privately owned housing made available for public use in all respects except as follows: instead of the minimum requirements established in 11B 233.3.1.1 and 11B 233.3.1.3, all new construction projects must provide a minimum of ~~ten~~ fifteen percent (~~10~~15%) of the Low-Income Units with mobility features, as defined in CBC 11B 809.2 through 11B 809.4, and a minimum of ~~four~~ ten percent (~~4~~10%) of the Low-Income Units with communications features, as defined in CBC 11B 809.5. These units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the project consistent with 24 CFR Section 8.26.

Rehabilitation projects shall provide a minimum of ten percent (10%) of the Low-Income Units with mobility features, as defined in CBC 11B 809.2 through 11B 809.4, and four percent (4%) with communications features, as defined in CBC 11B 809.5. To the maximum extent feasible and subject to reasonable health and safety requirements, these units shall be distributed throughout the project consistent with 24 CFR Section 8.26. At least one of each common area facility type and amenity, as well as paths of travel between accessible units and such facilities and amenities, the building entry and public right of way, and the leasing office or area shall also be made accessible utilizing CBC Chapter 11(B) as a design standard. In all other respects, applicable building code will apply. Projects with particular federal, state, or local funding sources may be required to meet additional accessibility requirements related to these other sources.

Except for paragraph (J) and (K), if a rehabilitation applicant does not propose to meet the requirements of this subsection, its Capital Needs Assessment must show that the standards not proposed to be met are either unnecessary or excessively expensive. The Executive Director may approve a waiver to paragraph (J) for a new construction or rehabilitation project, provided that tenants will have equivalent access to management services. The Executive Director may approve a waiver to paragraph (K) for a rehabilitation project, provided that the applicant and architect demonstrate that full compliance would be impractical or create an undue financial burden. All waivers must be approved in advance by the Executive Director.

Compliance and Verification: For placed-in-service applications, applicants with rehabilitation projects, with the exception of applicants developing a project in accordance with the minimum requirements of LEED, PHIUS, Passive House, Living Building Challenge, National Green Building Standard ICC / ASRAE – 700 silver or higher rating, or GreenPoint Rated Program ~~who will not receive points pursuant to Section 5230(k)(8) (for energy efficiency only) of the CDLAC regulations, or applicants with new construction projects that will receive points from CDLAC pursuant to Section 5230(k)(6) or (7) of the CDLAC regulations~~ must submit a completed Sustainable Building Method Workbook for subsection (A). For subsections (B) through (I) applicants shall submit LEED, PHIUS, Passive House, Living Building Challenge, National Green Building Standard ICC / ASRAE – 700 silver or higher rating, or GreenPoint Rated Program certification or third party certification confirming compliance from one of the following: a certified HERS Rater, a certified GreenPoint rater, a US Green Building Council certification, or the project architect. For Subsection (K), the project architect shall provide third party documentation confirming compliance. Failure to produce appropriate and acceptable third party documentation may result in negative points.

Comments Received: One commenter recommended retaining the requirement for the design team to meet with a CABEC certified consultant at the application stage and noted pitfalls that a project could encounter if an applicant waited to consult an energy analyst late in the project time line. Another commenter supported the elimination of this requirement and as it created unnecessary costs and an unnecessary administrative burden, in light of the fact that this requirement applied to all project applicants, regardless if they ever received an award of tax credits.

Several commenters supported the proposed change to require the submission of the Sustainable Building Methods Workbook in the placed-in-service application.

One commenter suggested the allowance to provide a cooking facility in lieu of a range (cooktop and oven) be expanded from SRO units to Special Needs studio units given they are of a similar size and serve a similar population. Another commenter suggested that the refrigerator waiver provision be removed and that in cases where the requirement for a range is waived if the project includes a common area kitchen facility, a microwave or microwave/convection oven should be required in the units.

The vast majority of the commenters strongly supported the proposed increases to the accessibility requirements for new construction projects. Some commenters noted the enormous need for housing to address people with disabilities and help more of those with mobility disabilities integrate into the community, enabling them to live independently. Two commenters suggested the use of total units rather than low income unit for the calculation of the percentage of accessible units. Some commenters opposed the proposed changes noting the increase as excessive and without and will result in increased project costs due to increased construction costs and complexity in project design. One commenter stated that most owners make units adaptable and therefore should be allowed to convert units as needed to meet the needs of its residents instead of imposing a higher percentage. A couple of commenters suggested delaying implementation to 2022 to provide developers time to plan and design the buildings to meet this new requirement.

Response to Comments: TCAC staff finds the comment relating to subsection (A) has merit, however the requirement the design team to meet with CABEC certified consultant at the application stage adds costs for all projects who apply to TCAC. With the emphasis on unit production and cost containment, and given the energy efficiency standards already required California Building Code (CBC), TCAC staff believes the elimination of this requirement will be reduce costs and increase unit production.

In response to the comments received with regard to the requirement of a range, TCAC staff proposed the change to clarify the definition of a stove and define a cooking facility in subsection (E), which is consistent with current practice. With regard to the waiver provisions, there may instances where a waiver of the refrigerator and cooking facility may be warranted. TCAC staff appreciates the comments, but is not inclined to make any additional changes.

TCAC staff finds the comments received all have merit. While there may be additional costs associated with increased accessibility, TCAC staff believes they will be minimal for new construction projects when compared to other project costs. With regard to comment to use total units, TCAC staff believes the percentage should apply to the low income units given the amount of tax credits are based on the applicable fraction of low income units to total units. TCAC staff believes Based on the overwhelming support for the proposed changes, the need and following review of HCD's 2020 Analysis of Impediments to Fair Housing Choice (AI) report, TCAC staff recommends proceeding with the changes as proposed.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(f)(13)

Initial Proposed Change:

(13) A project that includes Low-Income Units targeted at greater than 60% AMI shall have average targeting that does not exceed 50% AMI.

A project with a tax credit reservation dated prior to, or a submitted application pending as of, March 26, 2018 may, with the discretionary approval of the Executive Director, revise its targeting prior to the recordation of the regulatory agreement to include Low-Income Units targeted at greater than 60% AMI only to accommodate existing over-income tenants, provided that the average targeting does not exceed 50% AMI. ~~All other projects with a tax credit reservation dated prior to, or a submitted application pending as of, March 26, 2018, may not alter the AMI targeting committed to in the application in order to include Low-Income Units targeted at greater than 60% AMI.~~

A project including Low-Income Units targeted at greater than 60% AMI shall make the "Yes" election on line 8b of the IRS Form 8609.

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(g)(1)(G)

Initial Proposed Change:

(G) Adequate laundry facilities shall be available on the project premises, with no fewer than one washer/dryer per 10 units. This requirement shall be reduced by 25% for projects where all units include hook-ups for washers and dryers. To the extent that tenants will be charged for the use of central laundry facilities, washers and dryers must be excluded from eligible basis. If no centralized laundry facilities are provided, washers and dryers shall be provided in each unit;

Comments Received: One commenter supports and appreciates the proposed change that helps reduce costs. The commenter suggested the language be amended to account for the percentage of units with hook-ups. Other commenters suggested waiving a common laundry room if washer/dryer hook ups are provided in each unit. The commenters found that most residents prefer the hook ups in their unit without the constraint of time of use, conservation of water and energy during peak times and also COVID community restrictions that come along with the common laundry facility. The commenters also noted that developers are forced into unfair leases to get equipment in the laundry room, that rarely gets used.

Response to Comments: TCAC staff finds the comments all have merit, but given the hook ups do not ensure washer and dryers will actually be utilized in the unit, the residents without washers and dryers should be provided adequate laundry facilities.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(g)(1)(H)

Initial Proposed Change:

(H) Dishwashers shall be provided in all Low-Income Units except for studio and SRO units. ~~unless a~~A waiver for one and two bedroom units in rehabilitation projects may be ~~is~~ granted ~~by~~ at the sole discretion of the Executive Director ~~because~~ due to~~of~~ planning or financial impracticality;

Comments Received: While supporting the change, multiple commenters requested that one-bedroom units also be exempt from providing dishwashers. One commenter stated in small households, dishwashers often turn into kitchen storage so additional cabinet space would be more beneficiary, especially for senior units. Another commenter echoed the exemption for senior projects. One commenter stated that the maintenance and repair of dishwashers increases costs.

Other commenters suggested larger units in rehabilitation projects be included in the waiver provision.

Response to Comments: TCAC staff understands that dishwashers may not be used in some cases, but in the case of one bedroom units or senior units in a Large Family project, TCAC staff believe dishwashers are still beneficial to the tenants. Given dishwashers are a requirement of the Large Family projects, TCAC staff believes they should remain a requirement in the unit, including the one bedroom units and senior units. While no additional changes are being proposed, TCAC staff will continue to research and monitor the requirement.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(g)(2)

Initial Proposed Change (as revised on November 10, 2020):

(2) Senior projects. To be considered senior housing, the application shall meet the following additional threshold requirements;

(A) All units shall be restricted to ~~residents who are 62 years of age or older~~ households eligible under applicable provisions of California Civil Code Section 51.3 and the federal Fair Housing Act (except for projects utilizing a federal funding source specifically for senior housing and the program definition of senior prohibits a restriction of 62 years of age or older), and further be subject to state and federal fair housing laws with respect to senior housing;

(B) For new construction projects, one half of all Low-Income Units on an accessible path (ground floor and elevator-serviced) shall be mobility accessible under the provisions of California Building Code (CBC) Chapter 11(B). For rehabilitation projects, 25% of all Low-Income Units on an accessible path (ground floor and elevator-serviced) shall be mobility accessible under the provisions of CBC Chapter 11(B). All projects with elevators must comply with CBC Chapter 11(B) accessibility requirements for elevators. All project owners must provide adequate and visible notice to tenants of their ability to request conversion of their adaptable unit to an accessible unit. These units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the project consistent with 24 CFR Section 8.26. The Executive Director may approve a waiver in advance for a rehabilitation project, provided that the applicant and architect demonstrate that full compliance would be impractical or create an undue financial burden;

(C) ~~Projects~~ Buildings over two stories shall have an elevator;

(D) No more than twenty percent (20%) of the Low-Income Units in the project shall be larger than one-bedroom units, unless waived by the Executive Director, when supported by a full market study;

(E) One-bedroom Low-Income Units must include at least 450 square feet and two-bedroom Low-Income Units must include at least 700 square feet of living space. These limits may be waived for rehabilitation projects, at the discretion of the Executive Director, prior to application submission;

(F) Emergency call systems shall only be required in units intended for occupancy by frail elderly populations requiring assistance with activities of daily living, and/or applying as special needs units. When required, they shall provide 24-hour monitoring, unless an alternative monitoring system is approved by the Executive Director;

(G) Common areas shall be provided on site, or within approximately one-half mile of the subject property. For purposes of this part, common areas shall include all interior amenity space, such as the rental office, community room, service space, computer labs, and gym, but shall not include laundry rooms or manager living units. Common areas shall meet the following size requirement: projects comprised of 30 or less total units, at least 600 square feet; projects from 31 to 60 total units, at least 1,000 square feet; projects from 61 to 100 total units, at least 1,400 square feet; projects over 100 total units, at least 1,800 square feet. Small developments of 20 units or fewer are exempt from this requirement. These limits may be waived, at the discretion of the Executive Director, for rehabilitation projects with existing common area;

(H) A public agency shall provide direct or indirect long-term financial support for at least fifteen percent (15%) of the total project development costs, or the owner's equity (includes syndication proceeds) shall constitute at least thirty percent (30%) of the total project development costs;

(I) Adequate laundry facilities shall be available on the project premises, with no fewer than one washer/dryer per 15 units. This requirement shall be reduced by 25% for projects where all units include hook-ups for washers and dryers. To the extent that tenants will be charged for the use of central laundry facilities, washers and dryers must be excluded from eligible basis. If no centralized laundry facilities are provided, washers and dryers shall be provided in each of the units;

(J) Projects are subject to a minimum low-income use period of 55 years (50 years for projects located on tribal trust land).

Comments Received: Two commenters supported lowering minimum age requirement on senior developments. Another commenter suggested the removal of the exception noted in subsection (A).

Two commenters suggested the use of total units rather than low income unit for the calculation of the percentage of accessible units. Multiple commenters supported the withdrawal of the previous proposal to reduce accessibility requirements. Two commenters encouraged TCAC staff to reduce the number of fully-accessible units from 50% to 20% of all units on an accessible path.

One commenter strongly supports the unit modification noticing provisions and encouraged TCAC staff to require the notification of local advocacy groups when new accessible units are nearing delivery to market. Another commenter suggested additional modifications to the noticing language in subsection (B).

One commenter suggested adding a waiver provision to the elevator requirement for rehabilitation projects. One commenter suggested further clarification for developments that have more than one building that is able to be serviced by one elevator to avoid additional costs. One commenter suggested other changes such as applying the elevator requirement or sloped ramps to buildings with one or more stories.

One commenter supports and appreciates the proposed change that helps reduce costs. The commenter suggested the language be amended to account for the percentage of units with hook-ups. Other commenters suggested waiving a common laundry room if washer/dryer hook ups are provided in each unit. The commenters found that most residents prefer the hook ups in their unit without the constraint of time of use, conservation of water and energy during peak times and also COVID community restrictions that come along with the common laundry facility. The commenters also noted that developers are forced into unfair leases to get equipment in the laundry room, that rarely gets used.

Response to Comments: TCAC staff concurs with the comment regarding the removal of the exception in subsection (A).

TCAC staff appreciates the comments regarding the use of total units. Given the amount of tax credits are based on the applicable fraction of low income units to total units, TCAC staff believes the percentage should apply to the low income units. With regard to the accessibility requirements, TCAC staff is not proposing to make any additional changes, but will continue to research and monitor the requirement.

TCAC staff is not proposing to make any additional changes with regard to the requirements of subsection (B) and (C) but appreciate the comments received. TCAC staff will continue to research and monitor the requirement.

TCAC staff finds the comments all have merit, but given the hook ups do not ensure washer and dryers will actually be utilized in the unit, the residents without washers and dryers should be provided adequate laundry facilities.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted change.

(2) Senior projects. To be considered senior housing, the application shall meet the following additional threshold requirements;

(A) All units shall be restricted to ~~residents who are 62 years of age or older~~ households eligible under applicable provisions of California Civil Code Section 51.3 and the federal Fair Housing Act ~~(except for projects utilizing a federal funding source specifically for senior housing and the program definition of senior prohibits a restriction of 62 years of age or older)~~, and further be subject to state and federal fair housing laws with respect to senior housing;

(B) For new construction projects, one half of all Low-Income Units on an accessible path (ground floor and elevator-serviced) shall be mobility accessible under the provisions of California Building Code (CBC) Chapter 11(B). For rehabilitation projects, 25% of all Low-Income Units on an accessible path (ground floor and elevator-serviced) shall be mobility accessible under the provisions of CBC Chapter 11(B). All projects with elevators must comply with CBC Chapter 11(B) accessibility requirements for elevators. All project owners must provide adequate and visible notice to tenants of their ability to request conversion of their adaptable unit to an accessible unit. These units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the project consistent with 24 CFR Section 8.26. The Executive Director may approve a waiver in advance for a rehabilitation project, provided that the applicant and architect demonstrate that full compliance would be impractical or create an undue financial burden;

(C) ~~Projects~~ Buildings over two stories shall have an elevator;

(D) No more than twenty percent (20%) of the Low-Income Units in the project shall be larger than one-bedroom units, unless waived by the Executive Director, when supported by a full market study;

(E) One-bedroom Low-Income Units must include at least 450 square feet and two-bedroom Low-Income Units must include at least 700 square feet of living space. These limits may be waived for rehabilitation projects, at the discretion of the Executive Director, prior to application submission;

(F) Emergency call systems shall only be required in units intended for occupancy by frail elderly populations requiring assistance with activities of daily living, and/or applying as special needs units. When required, they shall provide 24-hour monitoring, unless an alternative monitoring system is approved by the Executive Director;

(G) Common areas shall be provided on site, or within approximately one-half mile of the subject property. For purposes of this part, common areas shall include all interior amenity space, such as the rental office, community room, service space, computer labs, and gym, but shall not include laundry rooms or manager living units. Common areas shall meet the following size requirement: projects comprised of 30 or less total units, at least 600 square feet; projects from 31 to 60 total units, at least 1,000 square feet; projects from 61 to 100 total units, at least 1,400 square feet; projects over 100 total units, at least 1,800 square feet. Small developments of 20 units or fewer are exempt from this requirement. These limits may be waived, at the discretion of the Executive Director, for rehabilitation projects with existing common area;

(H) A public agency shall provide direct or indirect long-term financial support for at least fifteen percent (15%) of the total project development costs, or the owner's equity (includes syndication proceeds) shall constitute at least thirty percent (30%) of the total project development costs;

(I) Adequate laundry facilities shall be available on the project premises, with no fewer than one washer/dryer per 15 units. This requirement shall be reduced by 25% for projects where all units include hook-ups for washers and dryers. To the extent that tenants will be charged for the use of central laundry facilities, washers and dryers must be excluded from eligible basis. If no centralized laundry facilities are provided, washers and dryers shall be provided in each of the units;

(J) Projects are subject to a minimum low-income use period of 55 years (50 years for projects located on tribal trust land).

Section 10325(g)(3)

Initial Proposed Change:

(3) Special Needs projects. To be considered Special Needs housing, at least 45% of the Low-Income Units in the project shall serve populations that meet one of the following: are individuals living with physical or sensory disabilities and transitioning from hospitals, nursing homes, development centers, or other care facilities; individuals living with developmental or mental health disabilities; individuals who are survivors of physical abuse; individuals who are

homeless as described in Section 10315(b); individuals with chronic illness, including HIV; homeless youth as defined in Government Code Section 12957(e)(2); families in the child welfare system for whom the absence of housing is a barrier to family reunification, as certified by a county; or another specific group determined by the Executive Director to meet the intent of this housing type. The Executive Director shall have sole discretion in determining whether or not an application meets these requirements. A development that is less than 75% special needs shall meet one of the following criteria: (i) the non-special needs Low-Income Units meet the large family or senior housing type requirements; (ii) the non-special needs Low-Income Units consist of at least 20% one-bedroom units and at least 10% larger than one-bedroom units; or (iii) at least 90% of all Low-Income Units (both special needs and non-special needs) are SRO units. The application shall meet the following additional threshold requirements:

(A) Average targeted income for the special needs and non-special needs SRO units is no more than forty percent (40%) of the area median income;

~~(B) Third party verification from a federal, state or local agency of the availability of services appropriate to the targeted population;~~

(~~C~~B) The units/building configurations (including community space) shall meet the specific needs of the population, including kitchen needs for SRO units without full kitchens;

(~~D~~C) If the project does not have a public rental or operating subsidy committed for all special needs and non-special needs SRO units, the applicant shall demonstrate for these unsubsidized units that the target population(s) will not experience rent overburden, as supported by the market study. Rent overburden means the targeted rent is more than 30% of the target population(s) income ~~of special needs units and non-special needs SRO units can pay the proposed rents. For instance, if the target population will rely on General Assistance, the applicant shall show that those receiving such assistance are willing to pay rent at the level proposed~~;

(~~E~~D) A public agency shall provide direct or indirect long-term financial support for at least fifteen percent (15%) of the total project development costs, or the owner's equity (includes syndication proceeds) shall constitute at least thirty percent (30%) of the total project development costs;

(~~F~~E) Adequate laundry facilities shall be available on the project premises, with no fewer than one washer/dryer per 15 units. This requirement shall be reduced by 25% for projects where all units include hook-ups for washers and dryers;

(~~G~~F) Projects are subject to a minimum low-income use period of 55 years (50 years for projects located on tribal trust land);

(~~H~~G) One-bedroom Low-Income Units must include at least 450 square feet, and two bedroom Low-Income Units must include at least 700 square feet of living space. Three-bedroom Low-Income Units shall include at least 900 square feet of living space. These bedroom and size requirements may be waived for rehabilitation projects or for projects that received entitlements prior to January 1, 2016 at the discretion of the Executive Director;

(~~I~~H) SRO units are efficiency units that may include a complete private bath and kitchen but generally do not have a separate bedroom, unless the configuration of an already existing building being proposed to be used for an SRO dictates otherwise. The minimum size for SRO Low-Income Units shall be 200 square feet, and the size shall not exceed 500 square feet. These bedroom and size requirements may be waived for rehabilitation projects or for projects that received entitlements prior to January 1, 2016 at the discretion of the Executive Director. A project that includes SRO units without complete private baths shall provide at least one bath for every eight SRO units;

(~~J~~I) A signed contract or memorandum of understanding between the developer and the service provider~~, together with the resolution of the service provider(s) identified in the preliminary service plan described in paragraph (L),~~ must accompany the Tax Credit application; and

~~(K) A summary of the experience of the developer and the service provider(s) in providing services to the project's special needs populations must accompany the Tax Credit application; and~~

(~~L~~J) A preliminary service plan that specifically identifies: the service needs of the projects special needs population; the organization(s) that would be providing the services to the residents; the services to be provided to the special needs population; how the services would support resident stability and any other service plan objectives; a preliminary budget displaying anticipated income and expenses associated with the services program. The Executive Director shall, in his/her sole discretion, determine whether the plan is adequate to qualify the project as a special needs project.

(~~M~~K) If the project will be operated as senior housing for persons 62 years of age and older pursuant to fair housing laws, then the project shall have an elevator for any building over two stories and shall meet the accessibility requirements of Section 10325(g)(2)(B).

(~~N~~L) With respect to Special Needs units designated for individuals who are homeless, owners, property managers, and service providers shall comply with the core components of Housing First, as defined in Welfare and Institutions Code Section 8255(b).

Comments Received: Two commenters supported the elimination of the third party verification of available services, the service provider resolution, and the description of developer and service provider experience.

One commenter supports and appreciates the proposed change that helps reduce costs. The commenter suggested the language be amended to account for the percentage of units with hook-ups. Other commenters suggested waiving a common laundry room if washer/dryer hook ups are provided in each unit. The commenters found that most residents prefer the hook ups in their unit without the constraint of time of use, conservation of water and energy during peak times and also COVID community restrictions that come along with the common laundry facility. The commenters also noted that developers are forced into unfair leases to get equipment in the laundry room, that rarely gets used.

Response to Comments: TCAC staff finds the comments and suggestions all have merit, but given the hook ups do not ensure washer and dryers will actually be utilized in the unit, the residents without washers and dryers should be provided adequate laundry facilities.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10325(g)(4)(B)

Initial Proposed Change:

(B) Project application eligibility criteria include:

(i) before applying for Tax Credits, the project must meet the At-risk eligibility requirements under the terms of applicable federal and state law as verified by a third party legal opinion, except that a project that has been acquired by a qualified nonprofit organization within the past five years of the date of application with interim financing in order to preserve its affordability and that meets all other requirements of this section, shall be eligible to be considered an "at-risk" project under these regulations. A project application will not qualify in this category unless it is determined by the Committee that the project is at-risk of losing any affordability restrictions on at least 50% of the restricted units ~~due to market or other conditions~~ that result in an increase to actual tenant rent of more than 10%;

(ii) the project, as verified by a third party legal opinion, must currently possess or have had within the past five years from the date of application, either:

- federal mortgage insurance, a federal loan guarantee, federal project-based rental assistance, or, have its mortgage held by a federal agency, or be owned by a federal agency; or
- loans or grants programs administered by the Department of Housing and Community Development (HCD); or
- be currently subject to, or have been subject to, within five years preceding the application deadline, the later of Federal or State Housing Tax Credit restrictions whose compliance period is expiring or has expired within the last five years and at least 50% of whose units are not subject to any other rental restrictions beyond the term of the Tax Credit restrictions; or
- be currently subject to, or have been subject to, within five years preceding the application deadline, California Debt Limit Allocation Committee (CDLAC) bond regulatory agreement restrictions whose compliance period is expiring or has expired within the last five years and at least 50% of whose units are not subject to any other rental restrictions beyond the term of the CDLAC restrictions;

Comments Received: Commenters disagreed with the proposal to define "losing affordability" as resulting in any affordability restriction loss and stated that the 9% credit at-risk set aside should be reserved for projects that will lose all affordability restrictions within five years. Commenters proposed that a project not be deemed at-risk if it is subject to a rent restriction with a remaining term of at least five years that restricts incomes and rents on the restricted units to an average no greater than 60% of area median income.

Response to Comments: The comments reflect an interest in limiting the at-risk set aside to projects losing all affordability restrictions within five years of the TCAC application. Staff is revising the proposed change to reflect the commenters' proposal.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes

(B) Project application eligibility criteria include:

(i) before applying for Tax Credits, the project must meet the At-risk eligibility requirements under the terms of applicable federal and state law as verified by a third party legal opinion, except that a project that has been acquired by a qualified nonprofit organization within the past five years of the date of application with interim financing in order to preserve its affordability and that meets all other requirements of this section, shall be eligible to be considered an "at-risk" project under these regulations. A project application will not qualify in this category unless it is determined by the Committee that the project is at-risk of losing affordability on at least 50% of the restricted units due to market or other conditions. A project will not be deemed at-risk of losing affordability if the project is subject to a rent restriction with a remaining term of at least five years that restricts incomes and rents on the restricted units to an average no greater than 60% of area median income;

(ii) the project, as verified by a third party legal opinion, must currently possess or have had within the past five years from the date of application, either:

- federal mortgage insurance, a federal loan guarantee, federal project-based rental assistance, or, have its mortgage held by a federal agency, or be owned by a federal agency; or
- loans or grants programs administered by the Department of Housing and Community Development (HCD); or
- be currently subject to, or have been subject to, within five years preceding the application deadline, the later of Federal or State Housing Tax Credit restrictions whose compliance period is expiring or has expired within the last five years and at least 50% of whose units are not subject to any other rental restrictions beyond the term of the Tax Credit restrictions; or
- be currently subject to, or have been subject to, within five years preceding the application deadline, California Debt Limit Allocation Committee (CDLAC) bond regulatory agreement restrictions whose compliance period is expiring or has expired within the last five years and at least 50% of whose units are not subject to any other rental restrictions beyond the term of the CDLAC restrictions;

Section 10325(g)(5)(G)

Initial Proposed Change:

(G) Adequate laundry facilities shall be available on the project premises, with no fewer than one washer/dryer per 15 units. This requirement shall be reduced by 25% for projects where all units include hook-ups for washers and dryers;

Comments Received: One commenter supports and appreciates the proposed change that helps reduce costs. The commenter suggested the language be amended to account for the percentage of units with hook-ups. Other commenters suggested waiving a common laundry room if washer/dryer hook ups are provided in each unit. The commenters found that most residents prefer the hook ups in their unit without the constraint of time of use, conservation of water and energy during peak times and also COVID community restrictions that come along with the common laundry facility. The commenters also noted that developers are forced into unfair leases to get equipment in the laundry room, that rarely gets used.

Response to Comments: TCAC staff finds the comments all have merit, but given the hook ups do not ensure washer and dryers will actually be utilized in the unit, the residents without washers and dryers should be provided adequate laundry facilities.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10326(a)

Initial Proposed Change:

(a) General. All applications requesting Federal Tax Credits under the requirements of IRC Section 42(h)(4) for buildings and land, the aggregate basis (including land) of which is financed at least fifty percent (50%) by tax-exempt bonds, shall be eligible to apply under this Section for a reservation and allocation of Federal Tax Credits. ~~However, those~~ Those projects requesting State Tax Credits pursuant to subsection (g)(1)(A) and (B) of Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code will also be ~~competitively scored as described in Section 10317(i). The highest scoring applications under this scoring system will be recommended for receipt of State Tax Credit, without regard to any set-asides or geographic areas, provided that they meet the threshold requirements of this section~~subject to the applicable requirements of Section 10317. All applicants requesting Tax Credits for projects financed with tax-exempt bonds shall apply simultaneously to the California Debt Limit Allocation Committee (CDLAC) and CTCAC and shall use the CDLAC-TCAC Joint Application. Applications will be eligible for a reservation of tax credits only if receiving a bond allocation pursuant to a joint application.

Comments Received: One commenter was very supportive of streamlining the applications. The commenter supported the proposed change to require joint applications for tax exempt bond financing and tax credits and ranking the applications only under the CDLAC scoring and ranking system.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10326(b)

Initial Proposed Change:

(b) Applicable criteria. Selection criteria for applications reviewed under this Section shall include those required by IRC Section 42(m), this Section 10326, and Sections 10300, 10302, 10305, 10320, 10322, 10327, 10328(e), 10330, 10335, and 10337 of these regulations. Other sections of these regulations shall not apply. The first funding round shall be the first application review period of a calendar year for tax-exempt bond financed projects.

(1) ~~If the applications received requesting State Tax Credits pursuant to Section 10317(j) of these Regulations exceed an established State Tax Credit allocation amount per application review period as described in Section 10326(c) of these Regulations, applications will be ranked in order of Tax Credit Units per State Tax Credit.~~ Subject to conditions described in these Regulations, reservations of Federal and State Tax Credits shall be made for those applications ~~of highest rank~~that receive a bond allocation from CDLAC until the established State Tax Credit allocation amount is exhausted. If the last application requires more ~~than the~~ State Tax Credits ~~remaining~~than remain for the calendar year, that application will not be funded and the remaining credits will be ~~added to the next funding round~~either funded through the Waiting List or carried forward into the next calendar year.

(2) For State Tax Credits pursuant to Section 10317(j) of these Regulations, ~~at least two (2) funding rounds shall be established.~~ an amount up to $200,000,000 in a calendar year may be allocated for housing financed by CalHFA's Mixed-Income Program (MIP) that also receives a bond allocation from CDLAC. Applications with financing by CalHFA~~'s Mixed-Income Program~~(MIP) will be accepted in any funding round~~,~~. The amount allocated for CalHFA MIP may be reduced subject to request by CalHFA and agreement of the Executive Directors of CalHFA and CTCAC~~, until the reserved amount of $200,000,000 is exhausted~~. ~~The first funding round shall be for a reservation of Tax Credits in January 2020 following an application review period pursuant to subsection (c). For applications without financing by CalHFA's Mixed-Income Program, State Tax Credit allocations shall be limited to no more than $150,000,000 in the first funding round. For applications without financing by CalHFA's Mixed-Income Program, State Tax Credit allocations shall be limited to no more than $150,000,000 in the second funding round. Any remaining State Tax Credits shall be allocated in subsequent funding rounds during calendar year 2020.~~

At the conclusion of the final funding round of a calendar year, the Committee may establish a Waiting List of pending applications in anticipation of utilizing any State Tax Credits that may be returned to the Committee, and/or that have not been allocated to projects for which they were intended. The Waiting List shall expire on December 31 of the year the list is established.

Comments Received: Three commenters supported the proposed changes. Multiple commenters suggested making the state credits available in multiple rounds by either establishing equal proportions across the first two CDLAC rounds with any remaining credits in the third or later rounds or establishing a cap for the first round. One commenter noted concerns that projects requesting state credits would be disadvantaged in the CDLAC tie breaker. One commenter opposed the proposal to eliminate TCAC ranking and noted the state credits should be allocated to the most cost-effective projects.

Response to Comments: TCAC staff believes apportioning the state credits over multiple rounds may again result in some projects being successful in the CDLAC competition but unable to access state tax credits. While the ranking system at TCAC is being eliminated, it is being captured in the proposed CDLAC tie breaker and will therefore still encourage state credit efficiency. In conformance with the change made in Section 10305(h), TCAC staff is proposing a slight revision to the proposed language to not require the $200 million be requested to be reduced by CalHFA.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted change.

(b) Applicable criteria. Selection criteria for applications reviewed under this Section shall include those required by IRC Section 42(m), this Section 10326, and Sections 10300, 10302, 10305, 10320, 10322, 10327, 10328(e), 10330, 10335, and 10337 of these regulations. Other sections of these regulations shall not apply. The first funding round shall be the first application review period of a calendar year for tax-exempt bond financed projects.

(1) ~~If the applications received requesting State Tax Credits pursuant to Section 10317(j) of these Regulations exceed an established State Tax Credit allocation amount per application review period as described in Section 10326(c) of these Regulations, applications will be ranked in order of Tax Credit Units per State Tax Credit.~~ Subject to conditions described in these Regulations, reservations of Federal and State Tax Credits shall be made for those applications ~~of highest rank~~that receive a bond allocation from CDLAC until the established State Tax Credit allocation amount is exhausted. If the last application requires more ~~than the~~ State Tax Credits ~~remaining~~than remain for the calendar year, that application will not be funded and the remaining credits will be ~~added to the next funding round~~either funded through the Waiting List or carried forward into the next calendar year.

(2) For State Tax Credits pursuant to Section 10317(j) of these Regulations, ~~at least two (2) funding rounds shall be established.~~ an amount up to $200,000,000 in a calendar year may be allocated for housing financed by CalHFA's Mixed-Income Program (MIP) that also receives a bond allocation from CDLAC. Applications with financing by CalHFA~~'s Mixed-Income Program~~(MIP) will be accepted in any funding round~~,~~. The amount allocated for CalHFA MIP may be reduced ~~subject to request by CalHFA and~~upon agreement of the Executive Directors of CalHFA and CTCAC~~, until the reserved amount of $200,000,000 is exhausted~~. ~~The first funding round shall be for a reservation of Tax Credits in January 2020 following an application review period pursuant to subsection (c). For applications without financing by CalHFA's Mixed-Income Program, State Tax Credit allocations shall be limited to no more than $150,000,000 in the first funding round. For applications without financing by CalHFA's Mixed-Income Program, State Tax Credit allocations shall be limited to no more than $150,000,000 in the second funding round. Any remaining State Tax Credits shall be allocated in subsequent funding rounds during calendar year 2020.~~

At the conclusion of the final funding round of a calendar year, the Committee may establish a Waiting List of pending applications in anticipation of utilizing any State Tax Credits that may be returned to the Committee, and/or that have not been allocated to projects for which they were intended. The Waiting List shall expire on December 31 of the year the list is established.

Section 10326(c)

Initial Proposed Change:

(c) Application review period. The Committee may require up to ~~forty-five~~sixty (~~45~~60) days to review an application, and an additional ~~fifteen~~ thirty (~~15~~30) days to consider the application for a reservation of Tax Credits. Applicants must deliver applications no less than ~~sixty~~ ninety (~~60~~90) days prior to the CTCAC Committee meeting in which they wish to obtain a decision. Applications not expected to receive a bond allocation from CDLAC due to relatively low CDLAC scores may or may not be fully evaluated by the TCAC.

Applications requesting State Tax Credits allocated pursuant to subsections (g)(1)(A) and (B) of Sections 12206, 17058, and 23610.5 of the Revenue and Taxation Code and not in compliance with the application completeness requirements of Sections 10322(d) and (e) of these Regulations shall be considered incomplete, and shall be disqualified from receiving a reservation of Tax Credits during the cycle in which the application was determined incomplete.

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10326(g)(9)

Initial Proposed Change:

(9) A non-competitive project that includes Low-Income Units targeted at greater than 60% AMI shall have average targeting that does not exceed 60% AMI. A competitive project that includes Low-Income Units targeted at greater than 60% AMI shall have average targeting that does not exceed 50% AMI.

A project with a tax credit reservation dated prior to, or a submitted application pending as of, March 26, 2018 may, with the discretionary approval of the Executive Director, revise its targeting prior to the recordation of the regulatory agreement to include Low-Income Units targeted at greater than 60% AMI only to increase the number of Low-Income Units or to accommodate existing over-income tenants, provided that the average targeting does not exceed ~~59~~60% AMI for non-competitive projects or 50% AMI for competitive projects. ~~All other projects with a tax credit reservation dated prior to, or a submitted application pending as of, March 26, 2018, may not alter the AMI targeting committed to in the application in order to include Low-Income Units targeted at greater than 60% AMI.~~

A project including Low-Income Units targeted at greater than 60% AMI shall make the “Yes” election on line 8b of the IRS Form 8609.

Comments Received: No comments were received, however, staff is proposing to include language addressing the federal requirement of 10% increment targeting for clarification. This corresponds to existing language in Section 10325(c)(6)(A).

Final Proposed Change:

(9) A non-competitive project that includes Low-Income Units targeted at greater than 60% AMI shall have average targeting that does not exceed 60% AMI. A competitive project that includes Low-Income Units targeted at greater than 60% AMI shall have average targeting that does not exceed 50% AMI. Projects electing the average income federal set-aside must choose targeting in 10% increments of Area Median Income (i.e. 20% AMI, 30% AMI, 40% AMI, etc.).

A project with a tax credit reservation dated prior to, or a submitted application pending as of, March 26, 2018 may, with the discretionary approval of the Executive Director, revise its targeting prior to the recordation of the regulatory agreement to include Low-Income Units targeted at greater than 60% AMI only to increase the number of Low-Income Units or to accommodate existing over-income tenants, provided that the average targeting does not exceed ~~59~~60% AMI for non-competitive projects or 50% AMI for competitive projects. ~~All other projects with a tax credit reservation dated prior to, or a submitted application pending as of, March 26, 2018, may not alter the AMI targeting committed to in the application in order to include Low-Income Units targeted at greater than 60% AMI.~~

A project including Low-Income Units targeted at greater than 60% AMI shall make the "Yes" election on line 8b of the IRS Form 8609.

Section 10326(h)

Initial Proposed Change:

(h) ~~Except as provided in Section 10317(g)(4), if not currently possessing a bond allocation for the proposed project, the applicant shall have either applied for a bond allocation from the California Debt Limit Allocation Committee (CDLAC) prior to or concurrently with submitting an application to CTCAC, or shall have received an initial loan commitment from the California Housing Finance Agency (CalHFA)~~Reserved.

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10326(j)

Initial Proposed Change:

(j) Additional conditions on reservations. The following additional conditions shall apply to reservations of Tax Credits pursuant to this Section:

(1) ~~CDLAC allocation. The applicant shall receive a bond allocation from CDLAC for the proposed project within 90 days of receiving a reservation;~~

~~(2)~~ Bonds issued. Bonds shall be issued within the time limit specified by CDLAC, if applicable; and,

(~~3~~2) Projects shall maintain at least 10% of the total Low-Income Units at rents affordable to tenants earning 50% or less of the Area Median Income, and shall maintain a minimum 30 year affordability period.

(~~4~~3) Projects proposing new construction shall provide CTCAC with an updated development timetable by December 31 of the second year following the year the project received its reservation of Tax Credits.

(i) The report shall include the actual placed-in-service date or the anticipated placedin-service date for the last building in the project and the date the project achieved full occupancy. The report shall detail the causes for any change from the original date.

(ii) Projects proposing new construction shall provide CTCAC with an updated development timetable by December 31 of the second year following the year the project received its reservation of Tax Credits. The update shall include the actual placed-in-service date for the last building in the project and the date that the project achieved full occupancy; or the date the project is anticipated to achieve full occupancy.

Other conditions, including cancellation, disqualification and other sanctions imposed by the Committee in furtherance of the purposes of the Credit programs.

(~~5~~4) Projects intended for eventual tenant homeownership must submit, at application, evidence of a financially feasible program, incorporating, among other items, an exit strategy, home ownership counseling, funds to be set aside to assist tenants in the purchase of units, and a plan for conversion of the facility to home ownership at the end of the initial 15 year compliance period. In such a case, the regulatory agreement will contain provisions for the enforcement of such covenants.

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10327(c)(2)

Initial Proposed Change:

(2) Developer fee.

(A) The maximum developer fee that may be included in project costs and eligible basis for ~~a~~ 9% competitive credit new construction, rehabilitation only, or adaptive reuse applications applying under Section 10325 of these regulations is the sum of the lesser of 15% of the project's unadjusted eligible basis ~~plus~~ and 15% of the basis for non-residential costs included in the project ~~and~~ allocated on a pro rata basis ~~or~~up to two million two hundred thousand ($~~2,000,000~~2,200,000) dollars. The maximum developer fee that may be included in project costs and eligible basis for a 9% competitive credit acquisition/rehabilitation application is the sum of the lesser of 15% of the project's unadjusted eligible construction related basis plus 5% of the project's unadjusted eligible acquisition basis and 15% of the basis for non-residential costs included in the project allocated on a pro rata basis up to two million two hundred thousand ($2,200,000) dollars. ~~If acquisition Tax Credits are not requested, any unadjusted eligible acquisition basis shall be excluded from the developer fee calculation. The maximum developer fee that may be included in project costs for a 9% competitive credit new construction application shall be calculated as follows: The base fee limit shall be the lesser of 15% of the project's eligible basis plus 15% of the basis for non-residential costs included in the project and allocated on a pro rata basis or two million two hundred thousand ($2,200,000) dollars. At placed in service, the maximum developer fee shall be re-calculated where the application base fee limit shall be multiplied by the difference between 2 and the project's high-cost test factor in the placed in service application, which equals the project's total eligible basis divided by its total adjusted threshold basis limits. In no case shall the base fee limit be increased from initial application. For purposes of this subparagraph, at placed in service TCAC shall use the higher of the unadjusted threshold basis limit from application or the year the project places in service.~~

~~For 9% competitive applications applying under section 10325 of these regulations, the cost limitation on developer fees that may be included in eligible basis, shall be as follows:~~

~~(i) the maximum developer fee that may be included in eligible basis for a new construction or rehabilitation only project is the lesser of 15% of the project's unadjusted eligible basis, or the developer fee amount allowed in project costs ; or~~

~~(ii) the maximum developer fee that may be included in eligible basis for acquisition/rehabilitation projects is the lesser of 15% of unadjusted eligible construction related basis plus 5% of the unadjusted eligible acquisition basis, or the developer fee amount allowed in project costs.~~

(B) For 4% credit ~~projects~~ applications applying under Section 10326 of these regulations, the maximum developer fee that may be included in project costs and eligible basis shall be as follows:

(i) for new construction, ~~or~~ rehabilitation only, or adaptive reuse projects, the maximum developer fee ~~that may be included in project costs and eligible basis~~is the sum of the lesser of ~~is~~ 15% of the project's unadjusted eligible basis and 15% of the basis for non-residential costs included in the project allocated on a pro rata basis. All developer fees in excess of two million five hundred thousand ($2,500,000) dollars plus $~~10,000~~20,000 per unit for each Tax Credit unit in excess of 100 shall be deferred or contributed as equity to the project.

(ii) ~~the maximum developer fee that may be included in project costs and eligible basis~~ for acquisition/rehabilitation projects, the maximum developer fee is 15% of the unadjusted eligible construction related basis and 5% ~~percent~~ of the unadjusted eligible acquisition basis and 15% of the basis for non-residential costs included in the project allocated on a pro rata basis. All developer fees in excess of two million five hundred thousand ($2,500,000) dollars plus $~~10,000~~20,000 per unit for each Tax Credit Unit in excess of 100 shall be deferred or contributed as equity to the project. A 15% developer fee on the acquisition portion will be permitted for at-risk developments meeting the requirements of section 10325(g)(4) or for other acquisition/rehabilitation projects, except for existing tax credit projects applying for a new reservation of tax credits for acquisition (i.e., resyndication), whose hard construction costs per unit in rehabilitation expenditures are at least $~~25,000~~50,000 or where the development will restrict at least 30% of its Low Income Units for those with incomes no greater than 50% of area median and restrict rents concomitantly.

(C) For purposes of this subsection, the unadjusted eligible basis is determined without consideration of the developer fee. With exception of 4% projects with a 2016 or later reservation, ~~Once established by a reservation of Tax Credits,~~ the developer fee in cost and in basis ~~for a 9% Tax Credit project or for a 4% Tax Credit project with a 2015 or earlier reservation cannot~~ shall not be increased once established by a reservation of Tax Credits but may be decreased in the event of a modification in basis~~, except that the adjustment factor related to costs described in paragraph (A) shall be recalculated at placed in service where applicable~~. Once established by a reservation of Tax Credits, the developer fee in cost and in basis for a 4% project with a 2016 or later reservation may increase or decrease in the event of modification in basis, and in the case it is increased, ~~provided that an~~ the entire increase ~~in the developer fee in cost shall only be allowed if the sum total of all permanent funding sources from related parties included in the initial application is maintained at placed in service and the entire increase is~~ shall be additionally deferred or contributed as equity to the project. The ~~provisions~~ maximum developer fees above apply to projects developed as multiple simultaneous phases using the same credit type: ~~of~~ (2)(A) applies to all simultaneous phases using all 9% credits and (2)(B) above ~~apply~~ applies to ~~projects developed as~~all ~~multiple~~ simultaneous phases using ~~the same credit type (all 9% or~~ all 4% credits~~) in both phases, except for an all 9% credit phased project in which the immediately preceding phase includes 150 or more total units~~. Only when the immediately preceding phase of an all 9% credit phased project equals or exceeds 150 units or when any other phased project is using both credit types shall the provision of (2)(A) and (2)(B) apply to each phase independently. For purposes of this limitation, "simultaneous" refers to projects consisting of a single building, or projects on the same parcel or on parcels within ¼ mile of each other and with construction start dates within ~~six~~ twelve months of each other, or completion dates that are within ~~six~~ twelve months of each other.

Deferred developer fee notes and/or agreements must be included in the placed-in-service application and the interest rates of such notes shall not exceed eight percent (8%).

(D) Deferred fees and costs. Deferral of project development costs shall not exceed an amount equal to seven-and-one-half percent (7.5%) of the unadjusted eligible basis of the proposed project prior to addition of the developer fee. Unless expressly required by a State or local public funding source, in no case may the applicant propose deferring project development costs in excess of half (50%) of the proposed developer fee. Tax-exempt bond projects shall not be subject to this limitation.

(E) Persons of Color / Woman-Owned Business Enterprise (PCWBE) Projects. For projects which qualify for general partner experience pursuant to Section 5230(f)(1)(B) of the CDLAC Regulations, the 15% of project's unadjusted eligible basis limit stated in Section 10327(c)(2)(B) shall be increased to 20% of the project's unadjusted eligible basis.

Comments Received: Multiple commenters supported the proposed changes to increase the developer fee, to allow the full developer fee cost included in basis for 9% projects, to increase the per unit hard cost minimum to access the higher 15% of acquisition basis, the elimination of the high-cost adjustment, and to establish the 8% interest rate limit on deferred fees. One commenter stated the current rate of 8% was high in this low-interest environment. Another commenter stated that developer fees have not kept pace with inflation associated with the costs of doing business and questions establishing a limit.

A couple of comments were received with regarding to the "sum of the lesser" and "lesser of" language stating noting them as possible drafting errors. In addition, a commenter noted an edit to the "2016" reference in subsection (C).

Some commenters recommended the proposed change with regard to the 15% developer fee on acquisition basis for re-syndication projects be withdrawn. One commenter stated that it limits the ability for non-at-risk projects to close funding gaps on difficult to finance but essential projects. One commenter noted the ability to include 15% of acquisition basis in the developer fee allows re-syndication projects to generate unlimited 4% tax credits to close financing gaps, thereby reducing other public subsidy needs. The commenter added that developers do not receive additional cash out fee because it must be contributed back to the project. One commenter stated developers should be incentivized to rehabilitate existing tax credit projects for the tenants and their surrounding communities. The commenter explained that projects older than 15 years are often in need of significant capital work to avoid becoming dilapidated and an eyesore in the local community.

TCAC staff received a number of comments opposing the proposed change to what constitutes a "simultaneous phases" of projects. The commenters recommended the proposed change either be withdrawn or a waiver provision be added to address the more dense locations.

Rather than increase the developer fee for PCWBE projects by increasing the 15% limit to 20%, two commenters instead suggested increasing the cash out limit from $2.5 million to $3 or $3.5 million plus the $20,000/unit over 100 units. Another commenter opposed the increase to the developer fee for PCWBE projects as it will increase projects cost unnecessarily. The commenter stated CDLAC's proposed changes will already open the door to more participation by PCWBE entities.

Response to Comments: As previously stated, TCAC staff noted the 8% was based on staff review where the majority of the developer fee notes reviewed utilized 8% and some as high as 10%. Staff believes an interest rate limit of 8% is an appropriate ceiling for the developer fee note. TCAC staff will continue to monitor the rate for future regulation changes to ensure the ceiling is appropriate and current.

TCAC staff reviewed the comments in regard to the "sum of the lesser" and "lesser of" language and concurs. TCAC staff has made minor revisions to clarify the language. TCAC staff reviewed the "2016" reference in subsection (C) and proposes no additional changes. The first sentence prohibits all projects (9% and 4%), with exception of the more recent 4% projects (2016 or later), from increasing the developer fee following credit reservation. The second sentence further explains that the more recent 4% projects (2016 or later) may increase or decrease their developer fee based on modification of basis following credit reservation.

TCAC staff appreciates the comments relating to the 15% developer fee for acquisition basis not being available to re-syndication projects. As previously stated, TCAC staff review of these applications have shown that these projects to be primarily related party transfers that staff do not believe these justify the additional increase in developer fee on the acquisition portion. Given the current emphasis on unit production and efficiency, TCAC staff is proceeding the initial proposed change.

With regard to the comments to relating to "simultaneous phases" of projects, TCAC staff finds the comments compelling and is withdrawing the initial proposed change from six months to twelve months. TCAC staff will continue to research and monitor the requirement.

TCAC staff finds the comments to increase the cash out limit from $2.5 million rather than increasing the 15%, would increase the actual cost of the developer fee. Given the proposed change was to incentivize the joint venture between an entity which received maximum general experience points and a PCWBE, TCAC is proceeding with the initial proposed change. TCAC staff has revised the language to further clarify that the increase from 15% to 20% is specific to construction related basis. In considering the comments, TCAC staff believes the proposed change alone may not produce intended outcome. For that reason, TCAC staff has revised the language to further incentivize this joint venture by also increasing the cash out limit to $3 million.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes.

(2) Developer fee.

(A) The maximum developer fee that may be included in project costs and eligible basis for ~~a~~ 9% competitive credit new construction, rehabilitation only, or adaptive reuse applications applying under Section 10325 of these regulations is the ~~sum of the~~ lesser of 15% of the project's unadjusted eligible basis ~~plus~~ and 15% of the basis for non-residential costs included in the project ~~and~~ allocated on a pro rata basis or~~up to~~ two million two hundred thousand ($~~2,000,000~~2,200,000) dollars. The maximum developer fee that may be included in project costs and eligible basis for a 9% competitive credit acquisition/rehabilitation application is the ~~sum of the~~ lesser of 15% of the project's unadjusted eligible construction related basis plus 5% of the project's unadjusted eligible acquisition basis and 15% of the basis for non-residential costs included in the project allocated on a pro rata basis or ~~up to~~ two million two hundred thousand ($2,200,000) dollars. ~~If acquisition Tax Credits are not requested, any unadjusted eligible acquisition basis shall be excluded from the developer fee calculation. The maximum developer fee that may be included in project costs for a 9% competitive credit new construction application shall be calculated as follows: The base fee limit shall be the lesser of 15% of the project's eligible basis plus 15% of the basis for non-residential costs included in the project and allocated on a pro rata basis or two million two hundred thousand ($2,200,000) dollars. At placed in service, the maximum developer fee shall be re-calculated where the application base fee limit shall be multiplied by the difference between 2 and the project's high-cost test factor in the placed in service application, which equals the project's total eligible basis divided by its total adjusted threshold basis limits. In no case shall the base fee limit be increased from initial application. For purposes of this subparagraph, at placed in service TCAC shall use the higher of the unadjusted threshold basis limit from application or the year the project places in service.~~

~~For 9% competitive applications applying under section 10325 of these regulations, the cost limitation on developer fees that may be included in eligible basis, shall be as follows:~~

~~(iii) the maximum developer fee that may be included in eligible basis for a new construction or rehabilitation only project is the lesser of 15% of the project's unadjusted eligible basis, or the developer fee amount allowed in project costs ; or~~

~~(iv) the maximum developer fee that may be included in eligible basis for acquisition/rehabilitation projects is the lesser of 15% of unadjusted eligible construction related basis plus 5% of the unadjusted eligible acquisition basis, or the developer fee amount allowed in project costs.~~

(B) For 4% credit ~~projects~~ applications applying under Section 10326 of these regulations, the maximum developer fee that may be included in project costs and eligible basis shall be as follows:

(ii) for new construction, ~~or~~ rehabilitation only, or adaptive reuse projects, the maximum developer fee ~~that may be included in project costs and eligible basis~~is the sum of ~~the lesser of is~~ 15% of the project's unadjusted eligible basis and 15% of the basis for non-residential costs included in the project allocated on a pro rata basis. All developer fees in excess of two million five hundred thousand ($2,500,000) dollars plus $~~10,000~~20,000 per unit for each Tax Credit unit in excess of 100 shall be deferred or contributed as equity to the project.

(ii) ~~the maximum developer fee that may be included in project costs and eligible basis~~ for acquisition/rehabilitation projects, the maximum developer fee is 15% of the unadjusted eligible construction related basis and 5% ~~percent~~ of the unadjusted eligible acquisition basis and 15% of the basis for non-residential costs included in the project allocated on a pro rata basis. All developer fees in excess of two million five hundred thousand ($2,500,000) dollars plus $~~10,000~~20,000 per unit for each Tax Credit Unit in excess of 100 shall be deferred or contributed as equity to the project. A 15% developer fee on the acquisition portion will be permitted for at-risk developments meeting the requirements of section 10325(g)(4) or for other acquisition/rehabilitation projects, except for existing tax credit projects applying for a new reservation of tax credits for acquisition (i.e., resyndication), whose hard construction costs per unit in rehabilitation expenditures are at least $~~25,000~~50,000 or where the development will restrict at least 30% of its Low Income Units for those with incomes no greater than 50% of area median and restrict rents concomitantly.

(C) For purposes of this subsection, the unadjusted eligible basis is determined without consideration of the developer fee. With exception of 4% projects with a 2016 or later reservation, ~~Once established by a reservation of Tax Credits,~~ the developer fee in cost and in basis ~~for a 9% Tax Credit project or for a 4% Tax Credit project with a 2015 or earlier reservation cannot~~ shall not be increased once established by a reservation of Tax Credits but may be decreased in the event of a modification in basis~~, except that the adjustment factor related to costs described in paragraph (A) shall be recalculated at placed in service where applicable~~. Once established by a reservation of Tax Credits, the developer fee in cost and in basis for a 4% project with a 2016 or later reservation may increase or decrease in the event of modification in basis, and in the case it is increased, ~~provided that an~~ the entire increase ~~in the developer fee in cost shall only be allowed if the sum total of all permanent funding sources from related parties included in the initial application is maintained at placed in service and the entire increase is~~ shall be additionally deferred or contributed as equity to the project. The ~~provisions~~ maximum developer fees above apply to projects developed as multiple simultaneous phases using the same credit type: ~~of~~ (2)(A) applies to all simultaneous phases using all 9% credits and (2)(B) above ~~apply~~ applies to ~~projects developed as~~all ~~multiple~~ simultaneous phases using ~~the same credit type (all 9% or~~ all 4% credits~~) in both phases, except for an all 9% credit phased project in which the immediately preceding phase includes 150 or more total units~~. Only when the immediately preceding phase of an all 9% credit phased project equals or exceeds 150 units or when any other phased project is using both credit types shall the provision of (2)(A) and (2)(B) apply to each phase independently. For purposes of this limitation, "simultaneous" refers to projects consisting of a single building, or projects on the same parcel or on parcels within ¼ mile of each other and with construction start dates within six ~~twelve~~ months of each other, or completion dates that are within six ~~twelve~~ months of each other.

Deferred developer fee notes and/or agreements must be included in the placed-in-service application and the interest rates of such notes shall not exceed eight percent (8%).

(D) Deferred fees and costs. Deferral of project development costs shall not exceed an amount equal to seven-and-one-half percent (7.5%) of the unadjusted eligible basis of the proposed project prior to addition of the developer fee. Unless expressly required by a State or local public funding source, in no case may the applicant propose deferring project development costs in excess of half (50%) of the proposed developer fee. Tax-exempt bond projects shall not be subject to this limitation.

(E) Persons of Color / Woman-Owned Business Enterprise (PCWBE) Projects. For projects which qualify for general partner experience pursuant to Section 5230(f)(1)(B) of the CDLAC Regulations, the 15% of project's unadjusted eligible construction related basis ~~limit~~ stated in Section 10327(c)(2)(B) shall be increased to 20% of the project's unadjusted eligible construction related basis and the two million five hundred thousand ($2,500,000) dollars in subsection (c)(2)(B)(ii) above, is increased to three million ($3,000,000) dollars.

Section 10327(c)(5)(A)

Initial Proposed Change:

(A) Increases in the threshold basis limits shall be permitted as follows for projects applying under Section 10325 or 10326 of these regulations.

A twenty percent (20%) increase to limits for a development that is paid for in whole or in part out of public funds and is subject to a legal requirement for the payment of state or federal prevailing wages or financed in part by a labor-affiliated organization that requires the employment of construction workers who are paid at least state or federal prevailing wages. An additional five percent (5%) increase to the unadjusted eligible basis shall be available for projects that certify that they are subject to a project labor agreement within the meaning of Section 2500(b)(1) of the Public Contract Code that requires the employment of construction workers who are paid at least state or federal prevailing wages or that they will use a skilled and trained workforce, as defined in Section 25536.7 of the Health and Safety Code, to perform all onsite work within an apprenticeable occupation in the building and construction trades. All applicants under this paragraph shall certify that contractors and subcontractors will comply with Section 1725.5 of the Labor Code, if applicable;

A ~~seven~~ ten percent (~~7~~10%) increase to the limits for a new construction development where parking is required to be provided beneath the residential units (but not “tuck under” parking) or through construction of an on-site parking structure of two or more levels;

A two percent (2%) increase to the limits where a day care center is part of the development;

A two percent (2%) increase to the limits where 100% of the Low Income Units are for special needs populations;

A ten percent (10%) increase to the limits for a development wherein at least 95% of the project’s upper floor units are serviced by an elevator.

A fifteen percent (15%) increase to the limits for a development wherein at least 95% of the building(s) is constructed as Type I as defined in the California Building Code, in which case, the Type III increase below (10%) shall not be allowed.

A ten percent (10%) increase to the limits for a development wherein at least 95% of the building(s) is constructed as (1) a Type III as defined in the California Building Code, or (2) a Type III/Type I combination, in which case, the Type I increase above (15%) shall not be allowed.

With the exception of the prevailing wage increase, the Local Impact Fee increase, and the special needs increase, in order to receive the basis limit increases by the corresponding percentage(s) listed above, a certification signed by the project architect shall be provided within the initial and placed-in-service application confirming that item(s) listed above will be or have been incorporated into the project design, respectively.

Comments Received: Multiple commenters supported proposed changes with regard to the threshold basis limit increases for parking and construction type. Some of the commenters also suggested adding an option for all-electric projects to recognize the additional costs associated. One commenter suggested a revision making any project requiring a concrete podium eligible for the 10% park basis increase whether parking is provided or not. The commenter added that a basis limit increase for concrete podium will incentivize taller, more efficient projects on smaller sites. One commenter suggested making the increase available to off-site parking.

Response to Comments: TCAC staff finds the comments to all have merit, but is not proposing to make any additional changes at this time. As summarized in the Sustainable Building Methods point category, TCAC staff will continue to research all-electric projects and consider it for future regulation changes proposals. With regard to the comments relating to concrete podium with no parking, TCAC staff believes the proposed basis limit increase option for Type I construction will encourage taller, more efficient projects on smaller sites. TCAC staff will continue to do more research on concrete podium and consider it for future regulation changes proposals.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10327(c)(6)

Initial Proposed Change:

(6) Acquisition costs. All applications must include the cost of land and improvements in the Sources and Uses budget, except that (i) competitive projects with donated land and/or improvements shall include the appraised value of the donated land and improvements that is not nominal, and (ii) projects on tribal trust land need only provide an improvement cost or value. If the acquisition for a new construction project involves a Related Party, the applicant shall disclose the relationship at the time of initial application.

Once established in the initial application, the acquisition cost of a new construction site shall not increase except as provided below for land and improvements donated or leased. Except as allowed pursuant to Section 10322(h)(9)(A) or by a waiver pursuant to this section below for projects basing cost on assumed debt, neither the purchase price nor the basis associated with existing improvements, if any, shall increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits.

If land or land and improvements (real property) are donated to the general partner or member of the project owner and if approved by CTCAC in advance, the general partner or member may sell the real property to the project for an amount equal to the donated value established in the application provided that: there must be a seller carryback loan for the full amount of the sale, the loan must be "soft," having a term of at least 15 years, a below market interest rate and interest accrual, and be either fully deferred or require only residual receipts payments for the loan term. Alternatively, the value may be a capital contribution of a general partner or member. Once established in the initial application, the donated value of the real property shall not increase.

If land or land and improvements (real property) are donated or are leased for a mandatory lease payment of $100 per year or less, and if approved by CTCAC in advance, the donation value established in the application may be a capital contribution of a general partner or member. Once established in the initial application, the donated value of the real property/lease shall not increase.

Comments Received: A commenter group recommended that TCAC simplify the proposal to state that land included in initial applications, including leases with de minimus payments that are considered donations, may be structured as general partner capital contributions or 0% deferred loans. The comments also recommended that acquisition prices can increase to the extent the increase is balanced by such general partner capital or loan.

Response to Comments: TCAC staff appreciates the comments to simplify the proposal. Staff would like to proceed with the initial proposed change in establishing this process, but will consider the comments for future revisions. Consistent with the long-standing requirement that acquisition prices not increase once established in the application, staff continues to propose the original change. An unrelated party in a market-driven transaction would not agree to pay more for a site once a price has been established, and staff does not believe affordable housing transactions should differ in this regard. The proposed change supports cost containment.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10327(c)(6)(A)

New Proposed Change: TCAC staff is proposing an additional change to align existing TCAC regulations with the proposed CDLAC leveraging point category. CDLAC's point system provides points for donated land, referencing TCAC's section 10325(c)(9). Without this newly proposed change, the TCAC and CDLAC's treatment of donated land would be inconsistent and detrimental for CDLAC scoring purposes.

(A) New Construction. The cost of land acquired through a third party transaction with unrelated party shall be evidenced by a sales agreement, purchase contract, or escrow closing statement. The value of land acquired from a Related Party shall be underwritten using the lesser of the current purchase price or appraised value pursuant to Section 10322(h)(9). If the purchase price exceeds appraised value, the applicant shall, within the shortfall calculation section of the basis and credits page of the application only, reduce the project cost and the soft permanent financing by the overage. For all other purposes, the project cost shall include the overage.

~~For competitive projects, t~~The value of donated land, including land donated as part of an inclusionary housing ordinance, must be evidenced by an appraisal pursuant to Section 10322(h)(9). ~~For non-competitive projects, the value of donated land shall be zero.~~

Section 10327(c)(7)

Initial Proposed Change:

(7) Reserve accounts. ~~All unexpended funds in project reserve~~ All reserve accounts shall ~~remain with the project to~~ be used ~~for the benefit of~~to maintain the property (which does not include repayment of loans) and/or benefit its residents, and shall remain with the project except as provided in subparagraph (B) below. If ownership of a project is transferred, the reserve accounts may be purchased by the purchaser(s) or transferee(s) for an amount equal to the reserve account(s) balance(s).

Comments Received: One comment was received, with a concern related to service and rental subsidy reserves. "On some projects with supportive housing units, soft lenders have been willing to fund these reserves when there is concern that services funding or rent subsidy will not remain sufficient over time. In those case, those funders have also put requirements into their loan agreements that the funds must be repaid, generally after 10 or 15 years, if it becomes clear they are not needed. Accordingly, we request that this language be clearly specified to pertain to operating and replacement reserves only. Alternatively, language could be added to read "(which does not include repayment of loans except when a soft lender requires repayment of unused services or rent subsidy reserves)."

Response to Comments: TCAC staff concurs with the suggested change and has revised the original proposal.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes

(7) Reserve accounts. ~~All unexpended funds in project reserve~~ All reserve accounts shall ~~remain with the project to~~ be used ~~for the benefit of~~to maintain the property (which does not include repayment of loans) and/or benefit its residents, and shall remain with the project except as provided in subparagraph (B) below and except when a public lender funds rent subsidy and/or service reserves and requires repayment of unused rent subsidy and/or service reserves. If ownership of a project is transferred, the reserve accounts may be purchased by the purchaser(s) or transferee(s) for an amount equal to the reserve account(s) balance(s).

Section 10327(c)(10)

Initial Proposed Change:

(10) Limits to fees and loans by related entities, and non-arm's length relationships ("related entities"). The following limits apply to a project applicant, developer, sponsor, owner, general partner, member, and to parent companies, principals of entities, and family members, as well as selling entities and individuals. For the purposes of this section, related or non-arm's length relationships are further defined as those having control or joint-control over an entity, having significant influence over an entity, or participating as key management of an entity. Related disclosure is required at the time of application.

(A) If not included in the developer entity fee, related entities are prohibited from charging fees or being reimbursed for preparing relocation plans, service plans, due diligence, or other similar work typically prepared by professional third parties. All related entity fees must be disclosed and described in the placed-in-service application and final cost certification.

(B) Related entities to the buyer and seller are prohibited from charging broker commissions for purchase of the project site. All broker commissions must be disclosed and described in the placed-in-service application and final cost certification.

Comments Received: TCAC received several comments opposing this change. Commenters stated that it is unfair to developers with vertical integration and to entities with a service provider general partner or in-house property management. Other comments stated the proposal is harsh and overly broad and complicated.

Response to Comments: TCAC staff is withdrawing the proposed change for the current proposal package, and will consider the comments for future proposals of limits to related party fees and loans.

Final Proposed Change: None, retain existing language.

Section 10327(f)

Initial Proposed Change:

(f) Determination of feasibility. To be considered feasible, a proposed project shall exhibit positive cash flow after debt service for a 15-year minimum term beginning at stabilized occupancy, or in the case of acquisition/rehabilitation projects, at the completion of rehabilitation. "Cash flow after debt service" is defined as gross income (including (1) all rental income generated by proposed initial rent levels contained within the project application and (2) committed federal, state, and local rental subsidies; excluding income generated by tenant-based rental subsidies) minus vacancy, operating expenses, property taxes, service and site amenity expenses, operating and replacement reserves and must pay debt service (not including residual receipts debt payments). Expenses that do not continue through all 15 years of the pro forma shall be excluded from the evaluation of feasibility as well as from the minimum debt service coverage ratio and cash flow parameters pursuant to Section 10327(g)(6). For ~~Applications~~ applications that qualify for a reservation of Tax Credits: (1) from the Nonprofit set-aside homeless assistance apportionment, ~~or~~ (2) ~~from the Special Needs set-aside as described in subsections 10315(b) and (e),~~with special needs units comprising at least 25% of the low-income units, or (3) with an average targeted affordability of 40% of Area Median Income or less, capitalized operating reserves in excess of the 3-month minimum amount may be added to gross income for purposes of determining "cash flow after debt service." In addition, applications with a committed capitalized operating subsidy reserve from HCD, CalHFA, or another public entity approved by the Executive Director may add withdrawals from this reserve to gross income for purposes of determining "cash flow after debt service."

Comments Received: None.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10327(g)(1)

Initial Proposed Change:

(1) The fifteen year pro forma revenue and expense projection calculations shall utilize a two-and-one-half percent (2.5%) increase in gross income, a three-and-one-half percent (3.5%) increase in operating expenses (excluding operating and replacement reserves set at prescribed amounts), and a two percent (2%) increase in property taxes.

(A) Where a private conventional lender and project equity partner use a 2% gross income and 3% operating expense increase underwriting assumption, CTCAC shall accept this methodology as well.

(B) For projects with a HUD rental subsidy that will receive a subsidy layering review from CTCAC, CTCAC shall accept 2% gross income, 3% operating expense increase, and 7% vacancy underwriting assumptions.

For purposes of the pro forma projections only, the application form Subsidy Contract Calculation may utilize post-rehabilitation rental subsidy contract rent assumptions when applicable.

Minimum operating expenses shall include expenses of all manager units and market rate units, and must be at least equal to the minimum operating expense standards published by the Committee staff annually. The published minimums shall be established based upon periodic calculations of operating expense averages annually reported to CTCAC by existing tax credit property operators. The minimums shall be displayed by region, and project type (including large family, senior, and Special Needs), and shall be calculated at the reported average or at some level discounted from the reported average. The Executive Director may, in his/her sole discretion, utilize operating expenses up to 15% less than required in this subsection for underwriting when the equity investor and the permanent lender are in place and provide evidence that they have agreed to such lesser operating expenses. These minimum operating expenses do not include property taxes, replacement reserves, depreciation or amortization expense, compliance monitoring or lender fees, or the costs of any site or service amenities. ~~Out-year calculations shall be a two-and-one-half percent (2.5%) increase in gross income, a three-and-one-half percent (3.5%) increase in operating expenses (excluding operating and replacement reserves set at prescribed amounts), and a two percent (2%) increase in property taxes. However, where a private conventional lender and project equity partner use a 2% gross income and 3% operating expense increase underwriting assumption, CTCAC shall accept this methodology as well.~~

~~(A)~~ Special needs projects that are less than 100% special needs shall prorate the operating expense minimums, using the special needs operating expenses for the special needs units, and the other applicable operating expense minimums for the remainder of the units.

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10335(a)

Initial Proposed Change:

(a) Application fee.

(1) Every applicant for non-competitive tax credits shall be required to pay an application filing fee of $1,000. Scattered site applications and resyndication applications shall be required to pay an application filing fee of $1,500. This fee shall be paid to the Committee and shall be submitted with the application. This fee is not refundable.

(2) Every applicant for competitive tax credits shall be required to pay an application filing fee of $2,000, except for projects with sites within the jurisdictions of multiple Local Reviewing Agencies (LRA) for which applicants shall be required to pay an additional $1,000 application fee for each additional LRA. This fee shall be paid to the Committee and shall be submitted with the application. This fee is not refundable. Applicants reapplying in the same calendar year for an essentially similar project on the same project site shall be required to pay an additional $1,000 filing fee to be considered in a subsequent funding round, regardless of whether any amendments are made to the re-filed application. At the request of the applicant and upon payment of the applicable fee by the application filing deadline, applications remaining on file will be considered as is, or as amended, as of the date of a reservation cycle deadline. It is the sole responsibility of the applicant to amend its application prior to the reservation cycle deadline to meet all application requirements of these regulations, and to submit a "complete" application in accordance with Section 10322. $1,000 of the initial application filing fee shall be provided to each official LRA which completes a project evaluation for the Committee. A LRA may waive its portion of the application filing fee. Such waiver shall be evidenced by written confirmation from the LRA, included with the application.

(3) Every project owner submitting an incomplete or inaccurate placed-in-service application shall be required to pay a non-refundable application filing fee of $1,000 within 20 days of notification by CTCAC staff.

Comments Received: No comments were received regarding the scattered site application fee increases. Comments for the placed in service application fee were in opposition, although some commenters expressed understanding for the intent of the proposal. Commenters requested concrete information about "incomplete or inaccurate" applications.

Response to Comments: TCAC staff proposes to proceed with the scattered site application fee increase and withdraw the placed in service application fee. Staff will continue to work toward providing solutions to placed in service application errors.

Final Proposed Change: Proceed with changes as initially proposed with the highlighted changes

(a) Application fee.

(1) Every applicant for non-competitive tax credits shall be required to pay an application filing fee of $1,000. Scattered site applications and resyndication applications shall be required to pay an application filing fee of $1,500. This fee shall be paid to the Committee and shall be submitted with the application. This fee is not refundable.

(2) Every applicant for competitive tax credits shall be required to pay an application filing fee of $2,000, except for projects with sites within the jurisdictions of multiple Local Reviewing Agencies (LRA) for which applicants shall be required to pay an additional $1,000 application fee for each additional LRA. This fee shall be paid to the Committee and shall be submitted with the application. This fee is not refundable. Applicants reapplying in the same calendar year for an essentially similar project on the same project site shall be required to pay an

additional $1,000 filing fee to be considered in a subsequent funding round, regardless of whether any amendments are made to the re-filed application. At the request of the applicant and upon payment of the applicable fee by the application filing deadline, applications remaining on file will be considered as is, or as amended, as of the date of a reservation cycle deadline. It is the sole responsibility of the applicant to amend its application prior to the reservation cycle deadline to meet all application requirements of these regulations, and to submit a "complete" application in accordance with Section 10322. $1,000 of the initial application filing fee shall be provided to each official LRA which completes a project evaluation for the Committee. A LRA may waive its portion of the application filing fee. Such waiver shall be evidenced by written confirmation from the LRA, included with the application.

~~(3) Every project owner submitting an incomplete or inaccurate placed-in-service application shall be required to pay a non-refundable application filing fee of $1,000 within 20 days of notification by CTCAC staff.~~

Section 10335(e)

Initial Proposed Change:

(e) Performance deposit. Each applicant receiving a preliminary reservation of Federal, or Federal and State (including State Farmworker), Tax Credits shall submit a performance deposit equal to four percent (4%) of the first year's Federal Credit amount reserved, but not to exceed $100,000, including applicants with a reservation of credit on or after October 14, 2020. Notwithstanding the other provisions of this subsection, an applicant requesting Federal Tax Credits not subject to the Federal housing Credit Ceiling and requesting State Tax Credits or State Farmworker Tax Credits, shall be required to submit a performance deposit in an amount equal to two percent (2%) of the first year's State Credit amount reserved for the project, but not to exceed $100,000~~, including applicants with a January 15, 2020 reservation of State Credit.~~ Notwithstanding the other provisions of this Section, an applicant requesting only Federal Tax Credits not subject to the Federal Credit Ceiling, shall not be required to submit a performance deposit.

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10335(g)

Initial Proposed Change:

(g) Tax form ~~amendment~~ revision fee. An owner who requests an amendment to 8609 or 3521A tax forms, including a request that occurs after CTCAC completes the drafting of these forms, shall pay a fee of $1000 unless the Executive Director determines that the amendment is necessary due to a CTCAC error.

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

Section 10337(d)

Initial Proposed Change:

(d) Change in ownership and property management. It is the project owner's responsibility to comply with the requirements of Section 10320(b) and to inform the Committee of any change in the project owner's mailing address.

(1) Any property management change during the 15-year federal compliance and extended use period must be to a party earning equal capacity points pursuant to Section 10325(c)(1)(A) as the exiting property management company. At a minimum this must be six (6) projects in service more than three years, or the demonstrated training required under Section 10326(g)(5). Two of the six projects must be Low Income Housing Tax Credit projects in California. If the new property management company does not meet these experience requirements, then substitution of property management shall not be permitted.

Comments Received: One commenter opposed the change, stating that it would limit the ability of a mission-driven nonprofit to build, renovate, or manage a low-income housing tax credit (LIHTC) project to its fullest benefit to the communities they serve and in which they operate, and force permanent outsourcing of property management.

Response to Comments: As stated previously, the proposed change is not a new change, but rather clarifies existing practice that an incoming property management company have equal experience as the exiting property management company. The propose language is specific to projects previously allocated credits now proposing to replace the property management company for which points were received or where the minimum threshold requirements were met. For a project proposing to replace a property management company where no experience points were originally received, the change allows for training of a proposed replacement property manager to take place. However, this regulation section is not applicable to existing property management that has not intent to make a change, and so should not result in any displacement or outsourcing of those property management staff.

Final Proposed Change: Proceed with changes as initially proposed.

Section 10337(f)(5)

Initial Proposed Change:

(5) If a fine assessed against a property owner is not paid within six months from the date when the fine was initially assessed and after reasonable notice has been provided to the property owner, the Committee may record a lien against the property. If the violation(s) for which the fine(s) is assessed is not corrected within 90 days of the assessed fine, the Committee may record a lien against the property.

Comments Received: None

Final Proposed Change: Proceed with changes as initially proposed.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
RESOLUTION NO. 20/21-05
December 21, 2020

RESOLUTION ADOPTING REGULATIONS

WHEREAS, the California Tax Credit Allocation Committee ("Committee") is responsible for administering the federal and state Low Income Housing Tax Credit (LIHTC) programs in California; and,

WHEREAS, in accordance with Health and Safety Code 50199.17, the Committee may adopt emergency regulations; and,

WHEREAS, the Committee has identified certain programmatic changes it believes will provide a more equitable method of allocation and better administration of the tax credit program in California; and,

WHEREAS, the Committee has held a public comment period, including a public hearing on its proposed amendments;

NOW, THEREFORE, BE IT RESOLVED that

Section 1. The Committee orders the adoption of Title 4 of the California Code of Regulations, Sections 10302 through 10337, Revising Allocation and Other Procedures;

Section 2. This Resolution shall take effect immediately upon its adoption.

Attest: ______________________________
Chairperson

Date of Adoption: 12-21-2020

AGENDA ITEM 6

Discussion and Consideration of the 2020 Applications for Reservation of Federal Four Percent (4%) Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects

Conflict Summary
December 21, 2020
CTCAC Committee Meeting

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Bond Issuer	Credit Enhancement Provider	Lender(s) (First Lender is Primary Construction Lender)
CA-20-660	Ambassador Ritz 55 Mason Street 216 Eddy Street San Francisco, CA 94102 San Francisco County	Ambassador Ritz Four Percent, L.P. Donald S. Falk	Ambasador Ritz Four Percent GP LLC Donald S. Falk	Tenderloin Neighborhood Development Corporation Donald S. Falk	Ambassador SRO Associates, L.P. and Ritz Hotel, L.P. Donald S. Falk	City of San Francisc	N/A	US Bank HCD CHRP-R (assumed) City and County of San Francisco - CDBG, HOME, Proposition A (assumed) Seller Loan
CA-20-669	Steinbeck Commons 10 Lincoln Avenue Salinas, CA 93901 Monterey County	SF Steinbeck Commons, L.P. Zac Baker	SF Steinbeck GP, LLC Zac Baker Trillium Housing Services Bruce W. Kilen	Macdonald Ladd Stephen W. Page	CDT CMI Steinbeck, L.P Stephen W. Page	CSCDA	N/A	Boston Financial Jones Lang Lasalle

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Ambassador Ritz, located at 55 Mason Street and 216 Eddy Street in San Francisco, requested and is being recommended for a reservation of $3,475,297 in annual federal tax credits to finance the acquisition and rehabilitation of 187 units of housing serving tenants with rents affordable to households earning 45-60% of area median income (AMI). The project will be developed by Tenderloin Neighborhood Development Corporation and is located in Senate District 11 and Assembly District 17.

Ambassador Ritz is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Ambassador Hotel (CA-2000-078). See **Resyndication and Resyndication Transfer Event** below for additional information. The project will be receiving rental assistance in the form of a HUD Section 8 Project-based Contract and HUD Project-based Shelter Plus Care Rental Assistance. The project financing includes state funding from the CHRP program of HCD.

Project Number	CA-20-660	
Project Name	Ambassador Ritz	
Site Address:	55 Mason Street and 216 Eddy Street	
	San Francisco, CA 94102	County: San Francisco
Census Tract:	0125.01 & 0125.02	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$3,475,297	$0
Recommended:	$3,475,297	$0

Applicant Information

Applicant:	Ambassador Ritz Four Percent, L.P.
Contact:	Donald S. Falk
Address:	201 Eddy Street San Francisco, CA 94102
Phone:	(415) 358-3923
Email:	dfalk@tndc.org

General Partner(s) or Principal Owner(s):	Ambasador Ritz Four Percent GP LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Tenderloin Neighborhood Development Corporation
Developer:	Tenderloin Neighborhood Development Corporation
Investor/Consultant:	California Housing Partnership Corporation
Management Agent:	Tenderloin Neighborhood Development Corporation

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	2
Total # of Units:	187
No. / % of Low Income Units:	187 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Contract (88 units - 47%) HUD Shelter Plus Care Project-based Rental Subsidy (31 Units - 17%)

Bond Information

Issuer:	City of San Francisco
Expected Date of Issuance:	June 1, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	San Francisco County
TCAC Project Analyst:	Tiffani Negrete

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
45% AMI:	30	16%
50% AMI:	151	81%
60% AMI:	6	3%

Unit Mix

187 SRO/Studio Units

187 Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
25	SRO/Studio	45%	8%	$255
5	SRO/Studio	45%	16%	$483
3	SRO/Studio	50%	9%	$265
3	SRO/Studio	50%	40%	$1,205
56	SRO/Studio	50%	16%	$483
89	SRO/Studio	50%	27%	$808
3	SRO/Studio	60%	9%	$265
1	SRO/Studio	60%	40%	$1,205
2	SRO/Studio	60%	16%	$483

Project Cost Summary at Application	
Land and Acquisition	$39,141,300
Construction Costs	$0
Rehabilitation Costs	$36,644,296
Construction Hard Cost Contingency	$5,086,339
Soft Cost Contingency	$722,081
Relocation	$4,325,990
Architectural/Engineering	$2,787,629
Const. Interest, Perm. Financing	$5,132,844
Legal Fees	$142,086
Reserves	$945,230
Other Costs	$2,809,658
Developer Fee	$8,089,624
Commercial Costs	$1,427,529
Total	**$107,254,606**

Residential	
Construction Cost Per Square Foot:	$796
Per Unit Cost:	$565,920
True Cash Per Unit Cost*:	$442,604

Construction Financing

Source	Amount
US Bank - T.E. Bonds	$56,039,857
HCD CHRP - Assumed Loan	$4,828,735
CCSF - Assumed Loans**	$17,029,568
TNDC Loan - Assumed	$294,359
Seller Carryback Loan	$9,202,648
Sponsor Loan	$4,427,000
Existing Reserves	$836,244
General Partner Equity	$2,262,388
Tax Credit Equity	$4,195,102

Permanent Financing

Source	Amount
US Bank Tranche A - T.E. Bonds	$4,967,000
US Bank Tranche B - T.E. Bonds	$5,079,000
HCD CHRP - Assumed Loan	$4,828,735
CCSF - Assumed Loans**	$17,029,568
TNDC Loan - Assumed	$294,359
Seller Carryback / Sponsor Loan	$18,351,538
Sponsor Loan	$4,427,000
CCSF	$442,706
AHP	$1,000,000
Existing Reserves / Operating Income	$1,835,186
Deferred Developer Fee	$5,019,624
General Partner Equity	$2,262,388
Historic Tax Credit Equity	$8,765,260
Tax Credit Equity	$32,952,242
TOTAL	**$107,254,606**

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee
**City and County of San Francisco - Assumed CDBG, HOME, CHRP, Proposition A Loans

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$51,707,350
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$40,042,680
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$67,219,555
Qualified Basis (Acquisition):	$40,042,680
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$2,177,914
Maximum Annual Federal Credit, Acquisition:	$1,297,383
Total Maximum Annual Federal Credit:	$3,475,297
Approved Developer Fee (in Project Cost & Eligible Basis):	$8,089,624
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	$0.94818

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$91,750,030
Actual Eligible Basis:	$91,750,030
Unadjusted Threshold Basis Limit:	$82,392,761
Total Adjusted Threshold Basis Limit:	$198,566,554

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

Seismic Upgrading

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 96%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions
The project's estimated per unit cost is $573,554. The applicant noted that the project is located in one of the most expensive cities in California for the construction of multifamily housing, including local hiring and Small Business Enterprise (SBE) requirements. In addition, the project is required to pay prevailing wages. The project includes 2 historic buildings, which involve preservation considerations for their design and rehabilitation in addition to seismic-related upgrades, which further adds to the project's cost.

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

Ambassador Ritz (CA-20-606) involves re-syndication of an existing project, Ambassador Hotel (CA-00-078), consisting of 134 total units and rehabilitation of the Ritz Hotel consisting of 89 total units. Ambassador Ritz will be created by the means of the air-space subdivision of the existing Ambassador Hotel into a 9% rehabilitation project, Ambassador 9% (CA-20-152), consisting of 36 total units and a 4% rehabilitation project consisting of 98 total units. The 4% project will be combined with the Ritz Hotel to create a larger, scattered-site 4% project consisting of 187 LIHTC units.

The Ambassador Ritz scattered sites will not have dedicated on-site manager's units. Per TCAC Regulation Section 10325(f)(7)(J), each site will employ an equivalent number of on-site full-time property management staff and provide an equivalent number of desk or security staff capable of responding to emergencies for the hours when property management staff is not working. All staff or contractors performing desk or security work shall be knowledgeable of how the property’s fire system operates and be trained in, and have participated in, fire evacuation drills for tenants. TCAC reserves the right to require that one or more on-site managers’ units be provided and occupied by property management staff if, in its sole discretion, it determines as part of any on-site inspection that the project has not been adequately operated

At the time of the construction closing there will be a partial termination of the existing TCAC regulatory agreement (CA-00-078) to enable the separation of ownership between Ambassador 9% and Ambassador Ritz. The partial termination is not intended to remove the existing TCAC regulatory agreement affordability restrictions. A separate legal description must be established for this project reflecting the air-space subdivision prior to submission of the placed in service application.

All tenants residing in the 4% and 9% tax credit sections of the Ambassador Hotel will have access to on-site social services and common area site amenities including the main entry lobby, elevators, community kitchens, and laundry facilities. Prior to the start of construction, all necessary agreements shall be in place to ensure that both the 4% and 9% tax credit components have property management and access to the required community spaces. A Joint Use Agreement shall be provided in the placed in service submission.

Resyndication and Resyndication Transfer Event
Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-00-078). 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 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-00-078) is a qualified low-income household for the subsequent allocation (existing household eligibility is "grandfathered").

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. Staff noted that the TCAC application does not include a budget for services. The applicant is cautioned that the placed in service application must include the amount budgeted for services. The services documented in the placed in service package will be reviewed by TCAC staff for compliance with TCAC requirements at the time of the placed in service submission.

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from the requirements under TCAC Regulation Section 10320(b)(4)(B).

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Steinbeck Commons, located at 10 Lincoln Avenue in Salinas, requested and is being recommended for a reservation of $1,274,287 in annual federal tax credits to finance the acquisition and rehabilitation of 99 units of housing serving seniors with rents affordable to households earning 50-60% of area median income (AMI). The project will be developed by Macdonald Ladd and is located in Senate District 12 and Assembly District 30.

Steinbeck Commons is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Steinbeck Commons Apartments (CA-00-822). See **Resyndication and Resyndication Transfer Event** below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number CA-20-669

Project Name	Steinbeck Commons	
Site Address:	10 Lincoln Avenue	
	Salinas, CA 93901	County: Monterey
Census Tract:	13.00	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,274,287	$0
Recommended:	$1,274,287	$0

Applicant Information

Applicant:	SF Steinbeck Commons, L.P
Contact:	Zac Baker
Address:	1911 65th Avenue West Tacoma, WA 98466
Phone:	(253) 460-3000
Email:	zbaker@vaughnbay.net

General Partner(s) or Principal Owner(s):	SF Steinbeck GP, LLC Trillium Housing Services
General Partner Type:	Joint Venture
Parent Company(ies):	Scott Seckinger Trillium Housing Services
Developer:	Macdonald Ladd
Investor/Consultant:	Boston Financial Investment Management
Management Agent:	Cambridge Management

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	1
Total # of Units:	100
No. / % of Low Income Units:	99 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Contract (99 units - 100%)

Bond Information

Issuer:	CSCDA
Expected Date of Issuance:	June 1, 2021

Information

Housing Type:	Seniors
Geographic Area:	Central Coast Region
TCAC Project Analyst:	Tiffani Negrete

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	29	29%
60% AMI:	70	71%

Unit Mix

99	1-Bedroom Units
1	2-Bedroom Units
100	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
29	1 Bedroom	50%	50%	$909
70	1 Bedroom	60%	60%	$1,091
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$1,800

Project Cost Summary at Application	
Land and Acquisition	$23,150,000
Construction Costs	$0
Rehabilitation Costs	$7,410,000
Construction Hard Cost Contingency	$741,000
Soft Cost Contingency	$250,000
Relocation	$150,000
Architectural/Engineering	$165,000
Const. Interest, Perm. Financing	$1,209,100
Legal Fees	$50,000
Reserves	$427,000
Other Costs	$809,500
Developer Fee	$4,690,065
Commercial Costs	$0
Total	**$39,051,665**

Residential	
Construction Cost Per Square Foot:	$131
Per Unit Cost:	$390,517
True Cash Per Unit Cost*:	$360,074

Construction Financing

Source	Amount
Jones Lang LaSalle - T.E. Bonds	$20,675,853
Jones Lang LaSalle	$2,500,000
Deferred Developer Fee	$5,257,232
Tax Credit Equity	$10,618,580

Permanent Financing

Source	Amount
Jones Lang LaSalle - T.E. Bonds	$17,143,516
Jones Lang LaSalle	$6,875,000
Contributed Developer Fee	$520,336
Deferred Developer Fee	$3,044,233
Tax Credit Equity	$11,468,580
TOTAL	**$39,051,665**

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

Determination of Credit Amount(s)	
Requested Eligible Basis (Rehabilitation):	$11,289,665
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$24,667,500
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$14,676,565
Qualified Basis (Acquisition):	$24,667,500
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$475,060
Maximum Annual Federal Credit, Acquisition:	$799,227
Total Maximum Annual Federal Credit:	$1,274,287
Approved Developer Fee (in Project Cost & Eligible Basis):	$4,690,065
Investor/Consultant:	Boston Financial Investment Management
Federal Tax Credit Factor:	$0.90000

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$35,957,165
Actual Eligible Basis:	$35,957,165
Unadjusted Threshold Basis Limit:	$32,962,553
Total Adjusted Threshold Basis Limit:	$45,817,948

Adjustments to Basis Limit

95% of Upper Floor Units are Elevator-Serviced
55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 29%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

The reservation of tax credits is contingent upon verification by HUD of the rental subsidy contract rent amounts within 180 days of the date of reservation.

Pursuant to TCAC Regulation Section 10326(g)(5), general partners lacking documented experience with Section 42 requirements using the minimum scoring standards of Section 10325(c)(2)(A) shall be required to complete training as prescribed by TCAC prior to a project's placing in service. At least one of the cogeneral partners shall complete training as prescribed by TCAC prior to the project's placing in service.

Resyndication and Resyndication Transfer Event

Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-00-822). 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 and any deeper targeting levels in the new regulatory agreement for the duration of the new regulatory agreement. 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-00-822) is a qualified low-income household for the subsequent allocation (existing household eligibility is "grandfathered").

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on TCAC staff's review of the commitment in the application. The services documented in the placed in service package will be reviewed by TCAC staff for compliance with this requirement at the time of the placed in service submission.

The project is a resyndication occurring concurrently with a Transfer Event with distribution of Net Project Equity. The rehabilitation scope of work shall include all of the Short Term Work in the amount of $520,336. There is a developer fee contribution of at least $520,336, allowing the applicant to receive eligible basis for the entire Short Term Work amount.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

AGENDA ITEM 7

Discussion and Consideration of
Additional 2020 Applications for
Reservation of Federal Four Percent (4%)
Low Income Housing Tax Credits
(LIHTCs) for Tax-Exempt Bond
Financed Projects

Conflict Summary
December 21, 2020
CTCAC Committee Meeting

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Bond Issuer	Credit Enhancement Provider	Lender(s) (First Lender is Primary Construction Lender)
CA-20-661	Monroe Street Apartments 2330 Monroe Street Santa Clara, CA 95050 Santa Clara County	Monroe Street Housing Partners, LP Robin Zimbler	Freebird Monroe LLC Robin Zimbler AHA Norcal MGP, LLC Bill Salamandrakis	Freebird Development Company LLC Robin Zimbler	City of Santa Clara Deanna J. Santana	CMFA	N/A	Citibank Santa Clara County City of Santa Clara
CA-20-662	Sango Court 355 Sango Court Milpitas, CA 95035 Santa Clara County	Resources for Community Development Daniel Sawislak	RCD GP III LLC Daniel Sawislak	Resources for Community Development Nicole Brown	Not applicable - County to buy land	California Municipal Finance Authority	N/A	Chase Tax-Exempt Construction Bond Chase Tax-Exempt Perm Bond HCD MHP Loan HCD HOME Loan
CA-20-663	Willow Greenridge 1565 El Camino Real; 982, 986,990 Brusco Way 344, 364, 383, 395 Susie Way 976 Sandra Court; 986 Nora Way South San Francisco, CA 94080 San Mateo County	MP Willow Greenridge Associates, L.P. Jan M. Lindenthal	MP Greenridge LLC Jan M. Lindenthal	MidPen Housing Corporation Jeffrey Summerville	MP Greenridge Associates & Willow Ga Jan M. Lindenthal	California Municipal Finance Agency	N/A	Silicon Valley Bank TE Construction Loan CCRC TE Permanent Loan City of South San Francisco - Assumed Loan San Mateo County AHF 7.0
CA-20-665	Terracina at Lancaster 1752 E. Ave. J4 Lancaster, CA 93065 Los Angeles County	Lancaster 690, L.P. Geoffrey C. Brown	USA Lancaster 690, Inc. Geoffrey C. Brown Riverside Charitable Corporation Kenneth Robertson	USA Multi-Family Development Geoffrey C. Brown	1752 Avenue J4, LLC Nina Patel	California Municipal Finance Agency	N/A	Citi Community Capital (TE Bonds) Citi Community Capital (TE Bonds) Citi Community Capital (Taxable Tail) USA Multi-family Development, Inc
CA-20-666	The Hilarita 100 Ned's Way Tiburon, CA 94920 Marin County	Hilarita Belvedere 2R, L.P. Welton Jordan	Hilarita Belvedere EAH 2R, LLC Welton Jordan	EAH Inc. Welton Jordan	Hilarita Belvedere, L.P. Welton Jordan	California Municipal Finance Agency	N/A	Union Bank Tax Exempt Construction Loan
CA-20-667	Plymouth Place 1320 N. Monroe Street Stockton 90620 San Joaquin County	Plymouth Place RHF Partners, LP Kevin Gilchrist	Plymouth Place, Inc. Deborah Stouff	Retirement Housing Foundation Anders Plett	Plymouth Place, Inc. Laverne R Jospeh	CMFA	N/A	BBVA BBVA - First Mortgage Seller Loan Reserve for Replacement and Paint
CA-20-670	Rose Hill Courts Phase I 4466 Florizel Street Los Angeles, CA 90032 Los Angeles County	Rose Hill Courts I Housing Partners LP Frank Cardone	Related/Rose Hill Courts I Development Co., LLC Frank Cardone LOMOD RHC I, LLC	Related Irvine Development Company of California Frank Cardone	Housing Authority of the City of Los Angeles Douglas Guthrie	Housing Authority of the City of Los Angeles	N/A	MUFG Union Bank, N.A.
CA-20-671	Bidwell Place Apartments 403 E. Bidwell Street Folsom 95630 Sacramento County	Bidwell Place, LP Sahar Soltani	St. Anton Bidwell Place, LLC Sahar Soltani PacH Anton South Holdins, LLC Mark A. Wiese	St. Anton Communities, LLC Sahar Soltani	Blue Bronco, LLC	CalPFA	N/A	Bank of America, N.A. Bank of America, N.A. City of Folsom Deferred Interest on Folsom Loan
CA20-672	Centertown Apartments 855 C St. San Rafael 94901 Marin County	Centertown II, LLC Sarah White	Centertown II, LLC Sarah White EAH Inc Marianne Lim	BRIDGE Housing Corporation Sarah White	Centertown Associates, Ltd. Susan Johnson	CMFA	N/A	Umpqua Bank (Tax Exempt) Umpqua HCD - RHCP - LPR County of Marin CDBG
CA-20-673	Towne Square Apartments 11650 Towne Avenue Los Angeles, CA 90061 Los Angeles County	Towne Square Preservation, L.P. Joseph Miller	Towne Square Apartments, LLC Joseph Miller 0 0	Brookmore Apartment Corporation Joseph Miller	Towne Square Apartments, L.P. Joseph Miller	Calif Public Finance Authority (CalPFA)	N/A	Citibank - Tax Exempt Construction loan Citibank - Tax Exempt Perm Loan Citibank - Taxable Perm Loan Seller Financing
CA-20-674	Plummer Village 15450 Plummer St North Hills, CA 91343 Los Angeles County	Plummer Village Senior Housing, LP Wes Larmore	Rainbow - Plummer, LLC Justin M. Walker Plummer Village Senior Housing AGP, LLC	Plummer Village Senior Housing Develo Wes Larmore	Plummer Village Preservation, LP Matthew Finkle	California Municipal Finance	Fannie Mae	Wells Fargo
CA-20-676	Barrett Terrace Apartments 700 Barrett Avenue Richmond, CA 94801 Contra Costa County	Barrett Terrace Housing, L.P. Donald Gilmore	CHDC Barrett Terrace, LLC Donald Gilmore	Community Housing Development Corporation of North Richmond Joanna Griffith	Barrett Terrace Housing Corporation Donald Gilmore	CMFA	N/A	Citibank

Conflict Summary
December 21, 2020
CTCAC Committee Meeting

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Bond Issuer	Credit Enhancement Provider	Lender(s) (First Lender is Primary Construction Lender)
CA-20-677	Blake Apartments 2527 San Pablo Avenue Berkeley, CA 94702 Alameda County	Blake Apartments, L.P. Jonathan Astmann	Satellite AHA Development Inc. Jonathan Astmann	Satellite Affordable Housing Associates Jonathan Astmann	2527 San Pablo, LLC. Rony Rolnizky	California Municipal Finance Authority	N/A	Wells Fargo Construction Loan CCRC Permanent Loan - Tranche A CCRC Permanent Loan - Tranche B City of Berkeley
CA-20-678	Pointe on La Brea 843 N. La Brea Ave. Los Angeles, CA 90038 Los Angeles County	City of Los Angeles Housing + Community Investment Department (HCIDLA) Francisco Lopez	Pointe on La Brea EAH, LLC Welton Jordan	EAH Housing Lisa Haddon	Manouchekian Family Trust Bedros and Seta Manouchekian	City of Los Angeles	N/A	Union Bank
CA-20-680	Solaris Apartments 1141-1145 Crenshaw Blvd Los Angeles, CA 90019 Los Angeles County	1141 Crenshaw, L.P. Monique Hastings	Koreatown Youth and Community Center Steve Kang	Domus Development, LLC Maurice Ramirez	David M Fung and Hee Sook Fung Revocable Trust David M Fung and Hee Sook Fung	HCIDLA	N/A	Citibank HCIDLA - HHH LACDA NPLH
CA-20-681	Summertree Apartments 555 and 601 Community Lane Woodland, CA 95695 Yolo County	IDG-TMI Equity Partners Kristoffer J. Kaufmann	NHC MGP I LLC Meghan Birnkrant Impact Development Group, LLC Gary Downs	Impact Development Group, LLC and Toffer Mann Investments, LLC Gary Downs Kristoffer J. Kaufmann	Summertree Apartments Manny Carbahal	CSCDA	N/A	Citibank
CA-20-682	Spring-Encino Apartments 402 S. Eastern Avenue & 1165 B Street Brawley, CA 92227 Imperial County	Highland Property Development on behalf of HPD S-E LP (TBF) Kristoffer J. Kaufmann	Highland Property Development LLC Kristoffer J. Kaufmann Hearthstone CA Properties II,	Highland Property Development Kristoffer J. Kaufmann	HPD Spring-Encino L.P. Kristoffer J. Kaufmann	CSCDA	N/A	JP Morgan Chase USDA Bonneville Mortgage Company
CA-20-687	Redwood Gardens Apartments 2951 Derby Street Berkeley, CA 94705 Alameda County	Redwood Gardens Renewal LP Todd Travis	Renewal Housing, Inc. Todd Travis Pennant Housing Group	NFAHS Development LLC Todd Travis	CSI-Derby Street Nonprofit Housing Corporation Nancy Evans	CSCDA	Arbor Commercial Funding I LLC	CSCDA Arbor Commercial Funding I, LLC EB Affordable Housing Financing, LLC
CA-20-688	Harriet Tubman Terrace Apartments 2870 Adeline Street Berkeley, CA 94703	HT Terrace Renewal LP Todd Travis	Renewal Housing, Inc. Todd Travis Pennant Housing Group Andrew Agetstein	NFAHS Development LLC Todd Travis	HT Terrace Affordable LLC Todd Travis	CSCDA	Greystone Servicing Company LLC	CSCDA Greystone Servicing Company LLC EB Affordable Housing Financing, LLC
CA-20-689	Scattered Sites - Santa Barbara 1300 Dahlia Courts ; 322 Ladera Street ; 210 West Victoria Street Carpinteria; Santa Babara Santa Barbara 93013; 93103 ; 93013 Santa Barbara County	Peoples' Self-Help Housing Corporation Kevin Wilson	Peoples' Self-Help Housing Corporation Kevin Wilson	Peoples' Self-Help Housing Corporation Kevin Wilson	Peoples' Self-Help Housing Corp. John Fowler	California Municipal Finance Authority	N/A	Wells Fargo Bank CCRC RCAC City of Carpenteria - Assumed Loan
CA-20-692	Fruitvale Transit Village Phase IIB 3511 E. 12th Street Oakland, CA 94601 Alameda County	3511 East 12th Street LP Zaheen Chowdhury	Fruitvale Phase IIB LLC Zaheen Chowdhury	BRIDGE Housing Corporation Zaheen Chowdhury	City of Oakland (lessor)	CMFA	N/A	JPMorgan Chase (construction) CCRC (perm) HCD - AHSC and TOD Alameda County City of Oakland
CA-20-695	11010 Santa Monica Boulevard 11010 Santa Monica Boulevard Los Angeles, CA 90025 Los Angeles County	11010 SMB LP Ben Rosen	11010 SMB LLC Ben Rosen VH 11010 SMB GP, LLC Chris Kolbenschlag	Weingart Center Association Ben Rosen	City of Los Angeles (lessor)	City of Los Angeles	N/A	Wells Fargo Bank N.A. CCRC HCIDLA HCD - VHHP
CA-20-696	Immanuel-Sobrato Community 1710 Moorpark Avenue San Jose, CA 95128 Santa Clara County	MP Moorpark Associates, L.P. Jan M. Lindenthal	MP Moorpark, LLC Jan M. Lindenthal 0 0	MidPen Housing Corporation Helen Tong-Ishikawa	Immanuel Evangelical Lutheran Church of San Jose Erik Larsen	City of San Jose	N/A	SVB Tax Exempt Perm Loan - CCRC County of Santa Clara Measure A City of San Jose
CA-20-699	Yosemite Folsom Dore 480 Eddy Street (Yosemite) and 75 Dore Street (Folsom Dore) San Francisco 94109 and 94103 San Francisco City and Countly	Yosemite Folsom Dore, L.P. Donald S. Falk	Yosemite Folsom Dore GP LLC Donald S. Falk	Tenderloin Neighborhood Development Jackson Rabinowitsh	TNDC / Folsom-Dore Associates, L.P. Donald S. Falk	The City and County of San Francisco	N/A	JP Morgan Chase Bank, NA
CA-20-700	Depot Willows 17145 Depot Street; 50 W. Edmundson Avenue Morgan Hill 95037 Santa Clara County	Eden Housing, Inc. Andre Madeira	Depot Willows LLC Andre Madeira	Eden Housing, Inc. Teddy Newmyer	Depot Commons LLC; Edmundson Associates Andre H Madeira	California Municipal Financy Authority	N/A	Tax Exempt Construction Loan Conventional Perm Loan

Conflict Summary
December 21, 2020
CTCAC Committee Meeting

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Bond Issuer	Credit Enhancement Provider	Lender(s) (First Lender is Primary Construction Lender)
CA-20-701	Portola Senior Southeast Corner of Glenn Ranch Rd. and Saddleback Ranch Rd. Assessor's Parcel Number: 606-451-02 Lake Forest, CA 92679 Orange County	Portola Senior Housing Associates, LP Mary Jane Jagodzinski	Lake Forest Housing Opportunities (To Be Formed) Mary Jane Jagodzinski	Community HousingWorks Mary Jane Jagodzinski	SRC-PH Investements, LLC Nick Lee	CMFA	N/A	US Bank SRC- PH
CA-20-702	Las Coronas 205 South Vicentia Avenue and 1148 D Street Corona, CA 92882 Riverside County	Las Coronas Apartments, L.P. Michael Finn	Las Corona GP LLC Michael Finn	National Community Renissance of California (NCRC) Severin Quaranta	NCRC Michael Finn Corona de Oro Apartments L.P. Michael Finn	CMFA	N/A	Bank of America CCRC NCRC City of Corona
CA-20-707	Baywood Apartments 225 41st Street Oakland, CA 94611 Alameda County	Baywood Community Partners, LP Anand Kannan	FFAH II Baywood LLC Anand Kannan CPP Baywood Partners GP, LLC	Community Preservation Partners James Hingston	Joseph M. Michaels Kenneth J. Reiner	CalHFA	N/A	Citibank
CA-20-708	Thatcher Yard Housing 3233 S Thatcher Ave Marina del Rey Los Angeles, CA 90292 Los Angeles County	Thatcher Yard Housing, LP Blake Coddington	Thatcher Yard Housing, LLC Blake Coddington Housing Corporation of America Carol Cromar	Thomas Safran & Associates Julia Morris	Sean L. Spear	City of Los Angeles	N/A	Wells Fargo HCIDLA HCD - AHSC
CA-20-709	4840 Mission Street 4840 Mission Street San Francisco, CA 94112 San Francisco County	4840 Mission Housing Associates LP Sarah White	4840 Mission Housing LLC Sarah White	BRIDGE Housing Sarah White	Clarence J. Ferrari, Jr., Trustee of the Clarence J. Ferrari, Jr. Separate Property Trust Clarence J. Ferrari, Jr., Trustee of the Josephine M. Ferrari Family Trust Stephen Taylor, Trustee of the Taylor 1998 Revocable Trust Clarence J. Ferrari, Jr.	City and County of San Francisco	N/A	Bank of America
CA-20-710	Throughline Apartments 777 Broadway, 1204 Mason St., 1525-1529 Grant Avenue San Francisco, CA 94133, 94108 San Francisco County	Throughline, L.P. Bo Han	CCDC Throughline LLC Malcolm Yeung	Chinatown Community Development Center Bo Han	Bayside Elderly Housing Corporation (Bayside) Karen Gansen Chinatown Community Development Center (Consorcia and Tower) Bo Han	City and County of San Francisco	N/A	JPMorgan Chase Bank HCD - CHRP City of San Francisco - CDBG and PASS Chinatown Community Development Center - seller carryback
CA-20-711	San Cristina 1000 Market Street San Francisco, CA 94102 San Francisco County	San Cristina, L.P. Richard Aubry	CHP San Cristina LLC Richard Aubry	Community Housing Partnership Richard Aubry	Community Housing Partnership Richard Aubry	San Francisco Mayor's Office of Housing and Community Development (MOHCD)	N/A	JPMorgan Chase Bank (construction) MOHCD (permanent) HCD-CHRP and MHP AHP
CA-20-712	Northlake Senior Apartments SE Corner of Hammock Avenue and Littlestone Street Sacramento, CA 95835 Sacramento County	Northlake Senior Affordable LP Ardie Zahedani	St. Anton Natomas Senior Affordable, LLC Sahar Soltani PacH Anton South Holdings, LLC Mark A. Wiese	St. Anton Communities, LLC Sahar Soltani	John Stanek	Sacramento Housing and Redevelopment Agency	N/A	Citibank
CA-20-713	Villa Ciolino Apartments 80 Ciolino Avenue Morgan Hill, CA 95037	Eden Housing, Inc. Andre Madeira	Skeels Villa LLC Andre Madeira	Eden Housing, Inc. Teddy Newmyer	Villa Ciolino Associates Andre Madeira	California Municipal Finance Authority	N/A	BBVA
CA-20-715	Sacramento Manor Apartments 7300 24th Street Bypass Sacramento, CA 95814 Sacramento County	Alliance Property Group Inc. Danielle Curls Bennett	Sacramento Manor GP, LLC Danielle Curls Bennett Community Revitalization and Development Corporation	Alliance Property Group Inc. Danielle Curls Bennett	Sacramento Manor, Inc Milt J. Eberle	California Housing Finance Agency	N/A	RBC Capital Markets Rose Community Capital
CA-20-716	Pony Express Senior Apartments 220 Aegean Way Vacaville, CA 95687 Solano County	Pony Express Senior Apartments, L.P. Mary Stompe	PE Vacaville EAH, LLC Welton Jordan Pony Express Senior Apartments LLC Mary Stompe	Petaluma Ecumenical Properties Mary Stompe	City of Vacaville Aaron Busch	CMFA	N/A	Wells Fargo Bank (construction) CCRC (permanent) HCD - MHP City of Vacaville

Conflict Summary
December 21, 2020
CTCAC Committee Meeting

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Bond Issuer	Credit Enhancement Provider	Lender(s) (First Lender is Primary Construction Lender)
CA-20-719	West San Carlos Residential 750 W San Carlos San Jose, CA 95020 Santa Clara County	San Jose W San Carlos LP Chris Dart	Community Revitalization and Development Corporation David Rutledge Johnson & Johnson Investments, LLC Chris Dart	Danco Communities Chris Dart	Bryan Robertson	City of San Jose	N/A	Pacific Western Bank City of San Jose County of Santa Clara
CA-20-720	San Martin de Porres Apartments 9119 Jamacha Rd Spring Valley, 91977	San Martin 2020 LP Christopher Ramirez	San Martin MGP 2020 LLC Christopher Ramirez	MAAC Christopher Ramirez	MAAC San Martin de Porres LLC Arnulfo Manriquez	California Municipal Housing Authority	N/A	Citibank
CA-20-721	La Guadalupe 110 South Boyle Street Los Angeles, CA 90033 Los Angeles County	110 South Boyle, L.P. Rick Schroeder	110 South Boyle MGP LLC Rick Schroeder 110 South Boyle AGP LLC Vanessa Delgado	Many Mansions Rick Schroeder	City of Los Angeles Sean L. Spear (as lessor)	HCID LA	N/A	Union Bank HCIDLA HCD-SHMP
CA-20-722	Bell Street Gardens 4101 Mowry Ave, 38853 Bell St, and 38871 Bell St Fremont, CA 94536 Alameda County	Bell Street Gardens, L.P. Daniel Sawislak	RCD GP LLC Daniel Sawislak	Resources for Community Development Adam Levine	Stahl Family Holdings, LLC Robert Stahl	California Municipal Finance Authority	NA	JP Morgan Chase Alameda County City of Fremont
CA-20-731	Blossom Hill Senior Apartments 397 Blossom Hill Road San Jose, CA 95123 Santa Clara Los Angeles County	Blossom Hill, L.P. Kathy Robinson	Blossom Hill Charities LLC Kathy Robinson Ben Rosen	Charities Housing Kathy Robinson	N/A (being transferred to Santa Clara County and with a ground lease to be signed)	City of San Jose	N/A	Wells Fargo City of San Jose County of Santa Clara Prudential
CA20-732	Cathedral Plaza 1551 Third Avenue San Diego, CA 92010 San Diego County	Mercy Housing California 88 L.P. Erika Villablanca	Mercy Housing California 88 LLC Erika Villablanca	Mercy Housing California Erika Villablanca	Cathedral Plaza Development Corporation Mark Campbell	California Municipal Financing Authority	N/A	Citibank
CA-20-733	Residency at the Mayer 1322 O Street Sacramento, CA 95814 Sacramento County	The Residency at the Mayer, LP Wendy S. Saunders	ABS Mayer, LLC Development Corporation (CADA) Wendy S. Saunders Cyrus Youssefi	ABS Properties, Inc. Development & C.F.Y. Development Inc. Wendy Saunders Cyrus Youssefi	ABS Mayer Bricker, LLC	CalHFA	N/A	Walker and Dunlop, LLC CADA (permanent) HCD - TOD
CA-20-735	Mississippi ECB 2139 El Cajon Boulevard San Diego, CA 92104 San Diego County	Trestle Mississippi, LP David Allen	Trestle Mississippi, LLC David Allen National Housing MGP, LLC Meghan Birnkrant	Rise Urban Partners, LLC Rob Morban	National Housing Corporation Meghan Birnkrant	San Diego Housing Commission	N/A	Citi Community Capital
CA-20-736	Miraflores Home South 45th Street and Florida Avenue Richmond, CA 94804 Contra Costa County	Miraflores Housing LP Jae Ryu	Miraflores Community Devco LLC Jae Ryu	Miraflores Community Devco LLC Jae Ryu	Richmond Community Redevelopment Agency	CSCDA	N/A	BCF Lending, Inc C-PACE
CA-20-737	Balboa Park Upper Yard 2340 San Jose Avenue San Francisco, CA 94112 San Francisco County	Balboa Park Housing Partners, L.P. Ann Silverberg	Colosimo Apartments, Inc. Sam Moss Related/Balboa Development Co. LLC	Related Irvine Development Company, LLC Ann Silverberg	City and County of San Francisco Andrico Penick Kate Hartley	City and County of San Francisco	N/A	US Bank City of San Francisco HCD AHSC
CA20-738	Mercado Apartments 2001 Newton Avenue San Diego, CA 92113 San Diego County Los Angeles, CA 90033 Los Angeles County	Mercado 2019 LP Christopher Ramirez Frank Cardone	Mercado MGP 2019 LLC Christopher Ramirez Frank Cardone LOMOD PDS LLC	MAAC Christopher Ramirez Frank Cardone	Mercado Apartments LP Arnulfo Manriquez Douglas Guthrie	San Diego Housing Commission	N/A	CBT
CA-20-740	Perris Sterling Villas Nuevo Rd at Murrietta Rd Perris, CA 92571 Riverside County	Perris Sterling Villas III LLC Richard Schindler	American Covenant Senior Housing Foundation Inc Gerald Fritts Schindler Real Estate Services LLC	American Covenant Senior Housing Foundation Inc Gerald Fritts	Woody LLC Joseph Felton	CALPFA	N/A	ATAX Churchill Stateside Group Schindler Real Estate
CA-20-741	6th and San Julian 401 E 6th St Los Angeles, CA 90013 Los Angeles County	Mercy Housing California 89 LP Erika Villablanca	Mercy Housing California 89 LLC Erika Villablanca	Mercy Housing California Erika Villablanca	Dung Dai Ta and Phuong Thi Quach 2002 Trust Dung Dai Ta and Phuong Thi Quach	City of Los Angeles	N/A	Citi Community Capital City of Los Angeles
CA-20-742	Central Plaza Apartments 200 McClelland Street Santa Maria, CA 93454 Santa Barbara County	Central Plaza Apartments Resyndication, L.P. Robert R. Havlicek Jr.	Housing Authority of the County of Santa Barbara Robert P. Havlicek Jr. Surf Development Company	Housing Authority of the County of Santa Barbara Robert P. Havlicek Jr.	Housing Authority of the County of Santa Barbara Robert P. Havlicek Jr.	Housing Authority of the County of Santa Barbara	N/A	Pacific Western Bank Housing Authority of the County of Santa Barbara (seller carryback)

Conflict Summary
December 21, 2020
CTCAC Committee Meeting

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Bond Issuer	Credit Enhancement Provider	Lender(s) (First Lender is Primary Construction Lender)
CA-20-743	Thompson Park Apartments 501-513 N. S & 508 N. T Streets and 401, 403 & 405 West Chestnut Ave. Lompoc, CA 93436 Santa Barbara County	Thompson Park Apartments, L.P. Robert P. Havlicek Jr.	Surf Development Company Robert P. Havlicek Jr. HA of the County of Santa Barbara Robert P. Havlicek Jr.	HA of the County of Santa Barbara Robert P. Havlicek Jr.	HA of the County of Santa Barbara Robert P. Havlicek Jr.	HA of the County of Santa Barbara	N/A	Pacific Western Bank HA of the County of Santa Barbara - seller carryback

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Monroe Street Apartments, located at 2330 Monroe Street in Santa Clara, requested and is being recommended for a reservation of $1,669,407 in annual federal tax credits to finance the new construction of 64 units of housing with rents affordable to households earning 30-80% of area median income (AMI). The project will be developed by Freebird Development Company LLC and will be located in Senate District 10 and Assembly District 25.

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

Project Number CA-20-661

Project Name Monroe Street Apartments

Site Address:	2330 Monroe Street		
	Santa Clara, CA 95050	County:	Santa Clara
Census Tract:	5053.03		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,669,407	$0
Recommended:	$1,669,407	$0

Applicant Information

Applicant:	Monroe Street Housing Partners, LP
Contact:	Robin Zimbler
Address:	1111 Broadway, Suite 300 Oakland, CA 94607
Phone:	510-319-6959
Email:	robin@freebirddev.com

General Partner(s) or Principal Owner(s):	Freebird Monroe LLC AHA Norcal MGP, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Freebird Development Company LLC Affordable Housing Access, Inc.
Developer:	Freebird Development Company LLC
Investor/Consultant:	Red Stone Equity Partners, LLC
Management Agent:	John Stewart Company

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	1	
Total # of Units:	65	
No. / % of Low Income Units:	64	100.00%
Federal Set-Aside Elected:	40%/60% Average Income	
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project Based Vouchers (8 units - 12%)	

Bond Information

Issuer:	California Municipal Finance Authority
Expected Date of Issuance:	March 31, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	South and West Bay Region
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	16	25%
50% AMI:	13	20%
60% AMI:	12	19%
80% AMI:	23	36%

Unit Mix

7	SRO/Studio Units
23	1-Bedroom Units
29	2-Bedroom Units
6	3-Bedroom Units
65	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
7	SRO/Studio	30%	30%	$829
5	1 Bedroom	30%	30%	$888
5	1 Bedroom	50%	50%	$1,481
5	1 Bedroom	60%	60%	$1,777
8	1 Bedroom	80%	73%	$2,170
4	2 Bedrooms	30%	30%	$1,066
7	2 Bedrooms	50%	50%	$1,777
6	2 Bedrooms	60%	60%	$2,133
11	2 Bedrooms	80%	74%	$2,630
1	3 Bedrooms	50%	50%	$2,053
1	3 Bedrooms	60%	60%	$2,463
4	3 Bedrooms	80%	80%	$3,285
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application

Land and Acquisition	$6,052,500
Construction Costs	$26,040,864
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$2,681,336
Soft Cost Contingency	$361,385
Relocation	$0
Architectural/Engineering	$2,097,200
Const. Interest, Perm. Financing	$2,475,000
Legal Fees	$175,000
Reserves	$554,045
Other Costs	$2,136,000
Developer Fee	$4,700,000
Commercial Costs	$0
Total	**$47,273,330**

Residential

Construction Cost Per Square Foot:	$353
Per Unit Cost:	$727,282
True Cash Per Unit Cost*:	$613,436

Construction Financing

Source	Amount
Citibank Tax-Exempt Loan	$24,000,000
Citibank Taxable Loan	$4,381,422
City of Santa Clara Carryback Loan	$5,200,000
City of Santa Clara Gap Loan	$6,500,000
Deferred Operating Reserve	$340,305
Deferred Transition Reserve	$213,740
Deferred Developer Fee	$3,700,000
Tax Credit Equity	$2,937,863

Permanent Financing

Source	Amount
Citibank	$15,484,017
City of Santa Clara Carryback Loan	$5,200,000
City of Santa Clara Gap Loan	$6,500,000
Santa Clara County Loan	$3,200,000
Deferred Developer Fee	$2,200,000
Tax Credit Equity	$14,689,313
TOTAL	**$47,273,330**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$39,634,548
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$51,524,912
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$1,669,407
Approved Developer Fee (in Project Cost & Eligible Basis):	$4,700,000
Investor/Consultant:	Red Stone Equity Partners, LLC
Federal Tax Credit Factor:	$0.87991

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$39,634,548
Actual Eligible Basis:	$39,634,548
Unadjusted Threshold Basis Limit:	$27,034,938
Total Adjusted Threshold Basis Limit:	$48,662,889

Adjustments to Basis Limit

95% of Upper Floor Units are Elevator-Serviced.

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 20%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 50%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

Development cost is over $613,000 per unit. A factor driving this is the cost of real estate, labor and building materials in the Bay Area. Other contributing factors include the project's acquisition cost of $5,200,000, 2019 energy code compliance, and significant site work required to raise the project's elevation above the floodplain level.

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Sango Court, located at 355 Sango Court in Milpitas, requested and is being recommended for a reservation of $3,275,916 in annual federal tax credits to finance the new construction of 101 units of housing serving tenants with rents affordable to households earning 50-60% of area median income (AMI). The project will be developed by Resources for Community Development and will be located in Senate District 10 and Assembly District 25.

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 MHP program of HCD.

Project Number CA-20-662

Project Name Sango Court

Site Address:	355 Sango Court		
	Milpitas, CA 95035	County:	Santa Clara
Census Tract:	5045.05		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$3,275,916	$0
Recommended:	$3,275,916	$0

Applicant Information

Applicant:	Resources for Community Development
Contact:	Daniel Sawislak
Address:	2220 Oxford St. Berkeley, CA 94704
Phone:	(510) 841-4410
Email:	dsawislak@rcdhousing.org

General Partner(s) or Principal Owner(s):	RCD GP III LLC
General Partner Type:	Nonprofit
Developer:	Resources for Community Development
Investor/Consultant:	Enterprise Housing Credit Investments, LLC
Management Agent:	The John Stewart Company

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	102
No. / % of Low Income Units:	101 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (40 Units - 40%) HOME / CDBG

Bond Information

Issuer:	California Municipal Finance Authority
Expected Date of Issuance:	March 1, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	South and West Bay Region
TCAC Project Analyst:	Franklin Cui

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	71	70%
60% AMI:	30	30%

Unit Mix

23	SRO/Studio Units
40	1-Bedroom Units
27	2-Bedroom Units
12	3-Bedroom Units
102	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
17	SRO/Studio	50%	25%	$691
17	1 Bedroom	50%	25%	$740
6	2 Bedrooms	50%	25%	$888
3	3 Bedrooms	50%	25%	$1,026
6	SRO/Studio	50%	30%	$829
15	1 Bedroom	50%	30%	$888
6	2 Bedrooms	50%	30%	$1,066
1	3 Bedrooms	50%	30%	$1,231
4	1 Bedroom	60%	50%	$1,481
10	2 Bedrooms	60%	50%	$1,777
6	3 Bedrooms	60%	50%	$2,053
4	1 Bedroom	60%	60%	$1,777
4	2 Bedrooms	60%	60%	$2,133
2	3 Bedrooms	60%	60%	$2,463
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$577,793
Construction Costs	$56,457,669
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$5,309,572
Soft Cost Contingency	$445,596
Relocation	$0
Architectural/Engineering	$2,168,136
Const. Interest, Perm. Financing	$4,482,974
Legal Fees	$70,000
Reserves	$973,950
Other Costs	$3,891,064
Developer Fee	$7,000,000
Commercial Costs	$0
Total	**$81,376,754**

Residential	
Construction Cost Per Square Foot:	$632
Per Unit Cost:	$797,811
True Cash Per Unit Cost*:	$785,066

Construction Financing

Source	Amount
Chase - Tax-Exempt	$40,700,000
Chase - Taxable	$5,650,000
HCD - HOME	$5,000,000
City of Milpitas - CDBG	$299,097
City of Milpitas	$6,500,000
Santa Clara County	$9,100,000
Accrued Interest	$840,638
Income from Holding Period	$175,000
Deferred Costs	$5,845,261
Deferred Developer Fee	$1,300,000
Tax Credit Equity	$5,966,758

Permanent Financing

Source	Amount
Chase - Tax-Exempt	$9,506,001
HCD - HOME	$5,000,000
HCD - MHP	$14,549,907
City of Milpitas - CDBG	$299,097
City of Milpitas	$6,500,000
Santa Clara County	$9,100,000
Accrued Interest	$840,638
Income from Holding Period	$175,000
General Partner Contribution	$3,500,000
Deferred Developer Fee	$1,300,000
Tax Credit Equity	$30,606,111
TOTAL	**$81,376,754**

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

Determination of Credit Amount(s)	
Requested Eligible Basis:	$77,775,785
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$101,108,521
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$3,275,916
Approved Developer Fee (in Project Cost & Eligible Basis):	$7,000,000
Investor/Consultant:	Enterprise Housing Credit Investments, LLC
Federal Tax Credit Factor:	$0.93428

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$77,775,785
Actual Eligible Basis:	$77,775,785
Unadjusted Threshold Basis Limit:	$40,946,941
Total Adjusted Threshold Basis Limit:	$87,146,074

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

Parking Beneath Residential Units or On-Site Parking Structure of Two or More Levels

Local Development Impact Fees

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 70%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

The total development cost per unit is $785,066. The factors contributing to the cost per unit include payment of prevailing wages, city planning and design requirements, an increase in materials costs, and green building features such as high-efficiency HVAC system.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Willow Greenridge, located at the addresses listed below in South San Francisco, requested and is being recommended for a reservation of $2,111,728 in annual federal tax credits to finance the acquisition and rehabilitation of 68 units of housing serving large families with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by MidPen Housing Corporation and is located in Senate District 11 and Assembly District 19.

Greenridge is a resyndication of an existing Low Income Housing Tax Credit (LIHTC) project, Greenridge Apartments (CA-98-507). See Resyndication and Resyndication Transfer Event below for additional information.

Project Number	CA-20-663	
Project Name	Willow Greenridge	
Site Addresses:	Willow Gardens Apartments	Greenridge Apartmen
	986 Nora Way	1565 El Camino Real South
	976 Sandra Court	South San Francisco, CA 94080
	344, 364, 383, 395 Susie Way	
	982, 986, 990 Brusco Way	
	South San Francisco, CA 94080	
Census Tracts:	6019.01	6018.00
County:	San Mateo	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,111,728	$0
Recommended:	$2,111,728	$0

Applicant Information

Applicant:	MP Willow Greenridge Associates, L.P.
Contact:	Jan M. Lindenthal
Address:	303 Vintage Park Drive, Suite 250 Foster City, CA 94404
Phone:	650-356-2900
Email:	jlindenthal@midpen-housing.org

General Partner(s) or Principal Owner(s):	MP Greenridge LLC
General Partner Type:	Nonprofit
Parent Company(ies):	MidPen Housing Corporation
Developer:	MidPen Housing Corporation

Investor/Consultant:	The California Housing Partnership
Management Agent:	MidPen Property Management Corporation

Project Information

Construction Type:	Acquisition & Rehabilitation	
Total # Residential Buildings:	18	
Total # of Units:	70	
No. / % of Low Income Units:	68	100.00%
Federal Set-Aside Elected:	40%/60% Average Income	
Federal Subsidy:	Tax-Exempt / HOME / CDBG	

Bond Information

Issuer:	California Municipal Finance Agency
Expected Date of Issuance:	May 11, 2021

Information

Housing Type:	Large Family
Geographic Area:	South and West Bay Region
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	10	15%
40% AMI:	16	24%
50% AMI:	19	28%
60% AMI:	15	22%
80% AMI:	8	12%

Unit Mix

53	2-Bedroom Units
13	3-Bedroom Units
4	4-Bedroom Units
70	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
6	2 Bedrooms	30%	23%	$907
2	3 Bedrooms	30%	27%	$1,214
2	4 Bedrooms	30%	23%	$1,147
7	2 Bedrooms	40%	34%	$1,347
2	3 Bedrooms	40%	33%	$1,480
6	3 Bedrooms	40%	33%	$1,514
1	4 Bedrooms	40%	35%	$1,758
3	2 Bedrooms	50%	38%	$1,485
1	3 Bedrooms	50%	33%	$1,480
1	2 Bedrooms	60%	52%	$2,040
1	3 Bedrooms	60%	49%	$2,230
1	4 Bedrooms	60%	54%	$2,729
15	2 Bedrooms	50%	38%	$1,469
12	2 Bedrooms	60%	42%	$1,651
8	2 Bedrooms	80%	45%	$1,757
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0
1	3 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$28,100,000
Construction Costs	$0
Rehabilitation Costs	$16,781,504
Construction Hard Cost Contingency	$2,131,251
Soft Cost Contingency	$404,835
Relocation	$2,305,700
Architectural/Engineering	$720,840
Const. Interest, Perm. Financing	$3,092,431
Legal Fees	$125,500
Reserves	$268,024
Other Costs	$668,328
Developer Fee	$6,774,353
Commercial Costs	$0
Total	**$61,372,766**

Residential

Construction Cost Per Square Foot:	$211
Per Unit Cost:	$876,754
True Cash Per Unit Cost*:	$697,599

Construction Financing

Source	Amount
Silicon Valley Bank - Tax Exempt	$32,423,966
City of S.San Francisco[1]	$8,677,431
San Mateo County AHF 7.0	$250,000
San Mateo County CDBG	$1,000,000
Accrued Interest	$589,758
Seller Carryback Loan	$10,077,285
Deferred Costs	$929,489
Deferred Developer Fee	$2,463,575
General Partner Equity	$3,110,778
GP Capital Contribution	$100
Tax Credit Equity	$1,850,384

Permanent Financing

Source	Amount
CCRC - Tax Exempt	$8,465,000
City of S.San Francisco[1]	$8,677,431
San Mateo County AHF 7.0	$250,000
San Mateo County CDBG	$1,000,000
Accrued Interest	$589,758
Seller Carryback Loan	$10,077,285
Sponsor Loan	$6,930,000
Deferred Developer Fee	$2,463,575
General Partner Equity	$3,110,778
GP Capital Contribution	$100
Tax Credit Equity	$19,808,839
TOTAL	**$61,372,766**

[1]Assumed HOME

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$27,406,873
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$29,547,872
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$35,628,935
Qualified Basis (Acquisition):	$29,547,872
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$1,154,377
Maximum Annual Federal Credit, Acquisition:	$957,351
Total Maximum Annual Federal Credit:	$2,111,728
Approved Developer Fee (in Project Cost & Eligible Basis):	$6,774,353
Investor/Consultant:	The California Housing Partnership
Federal Tax Credit Factor:	$0.93804

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$56,954,745
Actual Eligible Basis:	$56,954,745
Unadjusted Threshold Basis Limit:	$35,803,468
Total Adjusted Threshold Basis Limit:	$71,248,902

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages.

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 51%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 28%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

This is a scattered site project. Willow Gardens Apartments has existing affordability restrictions. Greenridge Apartments has existing affordability restrictions including a TCAC regulatory agreement (CA-98-507). The buildings at Willow Gardens Apartments are not contiguous and exceed the maximum amount of sites permitted by TCAC regulations; however, the applicant has requested and received a waiver pursuant to TCAC Regulation Section 10302(ll).

Willow Gardens Apartments has existing affordability restrictions. Greenridge Apartments has existing affordability restrictions including a TCAC regulatory agreement. No tenant relocation is expected by the applicant and the application anticipates a 100% applicable fraction. If tenant incomes at Willow Gardens Apartments are found to exceed the above-listed AMI levels, the applicable fraction will be reduced. The project's actual applicable fraction will be determined at the time of the placed in service review.

The project's cost is estimated at $697,599 per unit. This cost is attributable to its location in the Bay Area market, the value and cost of land and improvements, the high cost of construction, and payment of prevailing wages.

Resyndication and Resyndication Transfer Event
Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-98-507). 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-98-507) is a qualified low-income household for the subsequent allocation (existing household eligibility is "grandfathered").

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from the requirements under TCAC Regulation Section 10320(b)(4)(B).

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Terracina at Lancaster, located at 1752 E. Avenue J4 in Lancaster, requested and is being recommended for a reservation of $3,095,555 in annual federal tax credits to finance the new construction of 260 units of housing serving large families with rents affordable to households earning 50%-60% of area median income (AMI). The project will be developed by USA Multi-Family Development and will be located in Senate District 21 and Assembly District 36.

Project Number CA-20-665

Project Name Terracina at Lancaster
Site Address: 1752 E. Avenue J4
Lancaster CA, 93065 County: Los Angeles
Census Tract: 9005.06

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$3,095,555	$0
Recommended:	$3,095,555	$0

Applicant Information

Applicant:	Lancaster 690, L.P.
Contact:	Geoffrey C. Brown
Address:	3200 Douglas Blvd., Suite 200 Roseville CA, 95661
Phone:	(916) 724-3836
Email:	gbrown@usapropfund.com

General Partner(s) or Principal Owner(s):	USA Lancaster 690, Inc. Riverside Charitable Corporation
General Partner Type:	Joint Venture
Parent Company(ies):	USA Properties Fund, Inc. Riverside Charitable Corporation
Developer:	USA Multi-Family Development
Investor/Consultant:	WNC
Management Agent:	USA Multifamily Management, Inc.

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	11	
Total # of Units:	264	
No. / % of Low Income Units:	260	100.00%
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt	

Bond Information

Issuer:	California Municipal Finance Agency
Expected Date of Issuance:	May 1, 2021

Information

Housing Type:	Large Family
Geographic Area:	Balance of Los Angeles County
TCAC Project Analyst:	Sarah Gullikson

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	78	30%
60% AMI:	182	70%

Unit Mix

84	1-Bedroom Units
90	2-Bedroom Units
66	3-Bedroom Units
24	4-Bedroom Units
264	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
26	1 Bedroom	50%	50%	$1,056
58	1 Bedroom	60%	60%	$1,267
27	2 Bedrooms	50%	50%	$1,267
63	2 Bedrooms	60%	60%	$1,520
18	3 Bedrooms	50%	50%	$1,464
44	3 Bedrooms	60%	50%	$1,464
7	4 Bedrooms	50%	50%	$1,633
17	4 Bedrooms	60%	50%	$1,633
4	3 Bedrooms	Manager’s Unit	Manager’s Unit	$5,564

Project Cost Summary at Application	
Land and Acquisition	$3,177,785
Construction Costs	$47,452,148
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$3,276,155
Soft Cost Contingency	$669,492
Relocation	$0
Architectural/Engineering	$1,652,518
Const. Interest, Perm. Financing	$6,575,404
Legal Fees	$0
Reserves	$932,968
Other Costs	$7,578,749
Developer Fee	$8,741,545
Commercial Costs	$0
Total	**$80,056,764**

Residential	
Construction Cost Per Square Foot:	$189
Per Unit Cost:	$303,245
True Cash Per Unit Cost*:	$285,662

Construction Financing

Source	Amount
Citi Community Capital (TE Bonds`	$41,000,000
Citi Community Capital (Taxable Tail)	$8,000,000
Deferred Costs	$9,674,513
Tax Credit Equity	$21,382,251

Permanent Financing

Source	Amount
Citi Community Capital (TE Bonds)	$41,000,000
Citi Community Capital (Taxable Tai	$8,000,000
NOI prior to loan conversion	$102,546
Deferred Developer Fee	$4,642,000
Tax Credit Equity	$26,312,218
TOTAL	**$80,056,764**

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

Determination of Credit Amount(s)	
Requested Eligible Basis:	$73,493,728
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$95,541,846
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$3,095,555
Approved Developer Fee (in Project Cost & Eligible Basis):	$8,741,545
Investor/Consultant:	WNC
Federal Tax Credit Factor:	$0.85000

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$73,493,728
Actual Eligible Basis:	$73,493,728
Unadjusted Threshold Basis Limit:	$113,562,720
Total Adjusted Threshold Basis Limit:	$153,715,960

Adjustments to Basis Limit

Local Development Impact Fees

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 30%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC’s underwriting guidelines and TCAC limitations. Annual operating expenses are below the minimum operating expenses established in the Regulations (See "Significant Information / Additional Conditions" Section below), and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final

Significant Information / Additional Conditions:

This Project's annual per unit operating expense total is below the TCAC published per unit operating minimums of $5,500. As allowed by TCAC Regulation Section 10327(g)(1), TCAC approves an annual per unit operating expense total of $4,675 on agreement of the permanent lender and equity investor.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

The Hilarita, located at 100 Ned's Way in Tiburon, requested and is being recommended for a reservation of $2,548,351 in annual federal tax credits to finance the acquisition and rehabilitation of 100 units of housing serving tenants with rents affordable to households earning 50-80% of area median income (AMI). The project will be developed by EAH Inc. and is located in Senate District 2 and Assembly District 10.

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

Project Number	CA-20-666		
Project Name	The Hilarita		
Site Address:	100 Ned's Way		
	Tiburon, CA 94920	County: Marin	
Census Tract:	1242.00		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,548,351	$0
Recommended:	$2,548,351	$0

Applicant Information

Applicant:	Hilarita Belvedere 2R, L.P.
Contact:	Welton Jordan
Address:	22 Pelican Way San Rafael, CA 94901
Phone:	(415) 295-8876
Email:	welton.jordan@eahhousing.org

General Partner(s) or Principal Owner(s):	Hilarita Belvedere EAH 2R, LLC
General Partner Type:	Nonprofit
Parent Company(ies):	EAH Inc.
Developer:	EAH Inc.
Investor/Consultant:	California Housing Partnership Corporation
Management Agent:	EAH Inc.

Project Information

Construction Type:	Acquisition & Rehabilitation	
Total # Residential Buildings:	14	
Total # of Units:	102	
No. / % of Low Income Units:	100	100.00%
Federal Set-Aside Elected:	40%/60% Average Income	
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (91 units / 89%)	

Bond Information

Issuer:	California Municipal Finance Authority
Expected Date of Issuance:	May 1, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	Northern Region
TCAC Project Analyst:	Jonghyun(Tommy), Shim

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	51	51%
60% AMI:	31	31%
80% AMI:	18	18%

Unit Mix

28	1-Bedroom Units
34	2-Bedroom Units
28	3-Bedroom Units
12	4-Bedroom Units
102	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
19	1 Bedroom	50%	50%	$1,631
18	2 Bedrooms	50%	50%	$1,957
8	3 Bedrooms	50%	50%	$2,262
6	4 Bedrooms	50%	50%	$2,523
7	1 Bedroom	60%	60%	$1,957
11	2 Bedrooms	60%	60%	$2,348
11	3 Bedrooms	60%	60%	$2,714
2	4 Bedrooms	60%	60%	$3,028
1	1 Bedroom	80%	80%	$2,610
2	2 Bedrooms	80%	80%	$3,131
4	3 Bedrooms	80%	80%	$3,619
2	4 Bedrooms	80%	80%	$4,037
1	1 Bedroom	80%	36%	$1,168
2	2 Bedrooms	80%	37%	$1,466
4	3 Bedrooms	80%	53%	$2,404
2	4 Bedrooms	80%	51%	$2,551
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0
1	3 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$27,902,251
Construction Costs	$0
Rehabilitation Costs	$21,940,629
Construction Hard Cost Contingency	$3,291,094
Soft Cost Contingency	$529,736
Relocation	$3,200,000
Architectural/Engineering	$1,693,625
Const. Interest, Perm. Financing	$3,363,742
Legal Fees	$62,500
Reserves	$1,096,979
Other Costs	$2,954,466
Developer Fee	$8,036,190
Commercial Costs	$0
Total	**$74,071,212**

Residential	
Construction Cost Per Square Foot:	$241
Per Unit Cost:	$726,188
True Cash Per Unit Cost*:	$621,989

Construction Financing	
Source	Amount
Union Bank - Tax Exempt	$38,832,233
Seller Carryback Note	$22,514,223
Accrued Deferred Interest	$982,558
Acquired Project Reserves	$1,110,404
Deferred Costs	$2,942,799
Deferred Developer Fee	$5,516,190
Tax Credit Equity	$2,172,805

Permanent Financing	
Source	Amount
Union Bank - Tax Exempt	$22,350,000
Union Bank - Taxable	$15,533,000
Seller Carryback Note	$5,112,124
Accrued Deferred Interest	$982,558
Acquired Project Reserves	$1,110,404
Income From Operations	$883,882
Deferred Developer Fee	$5,516,190
Tax Credit Equity	$22,583,054
TOTAL	**$74,071,212**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$36,964,249
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$30,599,278
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$48,053,523
Qualified Basis (Acquisition):	$30,599,278
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$1,556,934
Maximum Annual Federal Credit, Acquisition:	$991,417
Total Maximum Annual Federal Credit:	$2,548,351
Approved Developer Fee (in Project Cost & Eligible Basis):	$8,036,190
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	$0.88618

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$67,563,526
Actual Eligible Basis:	$67,563,526
Unadjusted Threshold Basis Limit:	$44,946,912
Total Adjusted Threshold Basis Limit:	$74,466,969

Adjustments to Basis Limit
Seismic Upgrading
Environmental Mitigation
Local Development Impact Fees
Highest or High Resource Opportunity Area
55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 51%

Cost Analysis and Line Item Review
Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions
The reservation of tax credits is contingent upon verification by HUD of the contract renewal amounts within 180 days of the date of reservation.

Staff noted a per unit development cost of $726,188. The applicant noted that the per unit cost is attributed to high acquisition cost due to location of the project. Additionally, there are extensive proposed rehabilitation scope of work due to the age and condition of the property which include replacement or repair of major building systems, and accessibility upgrades on a steeply sloped site.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Plymouth Place, located at 1320 N. Monroe Street in Stockton, requested and is being recommended for a reservation of $628,236 in annual federal tax credits to finance the acquisition and rehabilitation of 64 units of housing serving tenants with rents affordable to households earning 50%-60% of area median income (AMI). The project will be developed by Retirement Housing Foundation and is located in Senate District 5 and Assembly District 13.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will be 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-20-667

Project Name Plymouth Place
Site Address: 1320 N. Monroe Street
Stockton, CA 90620 County: San Joaquin
Census Tract: 4.02

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$628,236	$0
Recommended:	$628,236	$0

Applicant Information
Applicant: Plymouth Place RHF Partners, LP
Contact: Kevin Gilchrist
Address: 911 N Studebaker Road
Long Beach, CA 90815
Phone: 562-257-5146
Email: kevin.gilchrist@rhf.org

General Partner(s) or Principal Owner(s): Plymouth Place, Inc.
General Partner Type: Nonprofit
Parent Company(ies): Retirement Housing Foundation
Developer: Retirement Housing Foundation
Investor/Consultant: National Affordable Housing Trust
Management Agent: Foundation Property Management

Project Information
Construction Type: Acquisition & Rehabilitation
Total # Residential Buildings: 1
Total # of Units: 65
No. / % of Low Income Units: 64 100.00%
Federal Set-Aside Elected: 20%/50%
Federal Subsidy: Tax-Exempt / HUD Project-based Contract (65 Units - 100%)

Bond Information

Issuer:	CMFA
Expected Date of Issuance:	January 1, 2021

Information

Housing Type:	At-Risk
Geographic Area:	Central Valley Region
TCAC Project Analyst:	Franklin Cui

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	20	31%
60% AMI:	44	69%

Unit Mix

65	1-Bedroom Units
0	2-Bedroom Units
0	3-Bedroom Units
0	4-Bedroom Units
65	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
20	1 Bedroom	50%	50%	$703
44	1 Bedroom	60%	60%	$843
1	1 Bedroom	Manager's Unit	Manager's Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$9,400,000
Construction Costs	$0
Rehabilitation Costs	$4,371,289
Construction Hard Cost Contingency	$437,129
Soft Cost Contingency	$220,000
Relocation	$793,491
Architectural/Engineering	$587,500
Const. Interest, Perm. Financing	$1,275,525
Legal Fees	$260,000
Reserves	$546,735
Other Costs	$562,948
Developer Fee	$2,145,863
Commercial Costs	$0
Total	**$20,600,480**

Residential

Construction Cost Per Square Foot:	$70
Per Unit Cost:	$316,930
True Cash Per Unit Cost*:	$316,930

Construction Financing

Source	Amount
BBVA	$9,592,064
Seller Carryback	$8,734,196
Replacement reserve	$894,442
Developer Fee	$1,072,931
General Partner Contribution	$613
Tax Credit Equity	$306,234

Permanent Financing

Source	Amount
BBVA	$4,846,543
Seller Carryback	$8,734,196
Replacement Reserve	$894,442
Tax Credit Equity	$6,125,299
TOTAL	**$20,600,480**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$8,075,210
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$9,965,934
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$10,497,773
Qualified Basis (Acquisition):	$9,965,934
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$305,340
Maximum Annual Federal Credit, Acquisition:	$322,896
Total Maximum Annual Federal Credit:	$628,236
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,145,863
Investor/Consultant:	National Affordable Housing Trust
Federal Tax Credit Factor:	$0.97500

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$18,041,144
Actual Eligible Basis:	$18,041,144
Unadjusted Threshold Basis Limit:	$19,571,045
Total Adjusted Threshold Basis Limit:	$27,595,174

Adjustments to Basis Limit

95% of Upper Floor Units are Elevator-Serviced
Highest or High Resource Opportunity Area
55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 31%

Cost Analysis and Line Item Review
Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions: 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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Rose Hill Courts Phase I, located at 4466 Florizel Street in Los Angeles, requested and is being recommended for a reservation of $1,528,526 in annual federal tax credits to finance the new construction of 84 units of housing serving tenants with rents affordable to households earning 30-80% of area median income (AMI). The project will be developed by Related Irvine Development Company of California and will be located in Senate District 24 and Assembly District 51.

Rose Hill Courts Phase I will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers and HUD Rental Assistance Demonstration Vouchers. The project financing includes state funding from the IIG and AHSC programs of HCD.

Project Number CA-20-670

Project Name Rose Hill Courts Phase I
Site Address: 4466 Florizel Street
Los Angeles, CA 90032 County: Los Angeles
Census Tract: 2013.01

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,528,526	$0
Recommended:	$1,528,526	$0

Applicant Information
Applicant: Rose Hill Courts I Housing Partners, LP
Contact: Frank Cardone
Address: 18201 Von Karman Ave, Suite 900
Irvine, CA 92612
Phone: (949) 660-7272
Email: fcardone@related.com

General Partner(s) or Principal Owner(s): Related/Rose Hill Courts I Development Co., LLC
LOMOD RHC I, LLC
General Partner Type: Joint Venture
Parent Company(ies): The Related Companies of CA
La Cienega LOMOD, Inc
Developer: Related Irvine Development Company of California
Investor/Consultant: MUFG Union Bank, N.A.
Management Agent: Related Management Company

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	2
Total # of Units:	89
No. / % of Low Income Units:	84 95.45%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (77 units - 88%)
	HUD Rental Assistance Demonstration Vouchers (11 units - 13%)

Bond Information

Issuer:	Housing Authority of the City of Los Angeles
Expected Date of Issuance:	March 31, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	City of Los Angeles
TCAC Project Analyst:	Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	6	7%
40% AMI:	9	11%
50% AMI:	28	33%
60% AMI:	9	11%
80% AMI:	32	38%

Unit Mix

51	1-Bedroom Units
26	2-Bedroom Units
8	3-Bedroom Units
4	4-Bedroom Units
89	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
3	1 Bedroom	30%	30%	$633
4	1 Bedroom	40%	40%	$845
19	1 Bedroom	50%	42%	$895
3	1 Bedroom	60%	42%	$895
22	1 Bedroom	80%	42%	$895
1	2 Bedrooms	30%	30%	$760
2	2 Bedrooms	40%	40%	$1,006
2	2 Bedrooms	40%	40%	$1,006
1	2 Bedrooms	50%	40%	$1,006
6	2 Bedrooms	50%	40%	$1,006
3	2 Bedrooms	60%	40%	$1,006
3	2 Bedrooms	80%	40%	$1,006
4	2 Bedrooms	80%	71%	$1,790
2	3 Bedrooms	30%	30%	$878
1	3 Bedrooms	40%	38%	$1,118
2	3 Bedrooms	60%	38%	$1,118
3	3 Bedrooms	80%	70%	$2,050
2	4 Bedrooms	50%	37%	$1,208
1	4 Bedrooms	60%	37%	$1,208
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0
3	2 Bedrooms	Market Rate Unit	Market Rate Unit	$822
1	4 Bedrooms	Market Rate Unit	Market Rate Unit	$2,826

Project Cost Summary at Application	
Land and Acquisition	$9,077,108
Construction Costs	$30,806,546
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$3,273,365
Soft Cost Contingency	$504,757
Relocation	$0
Architectural/Engineering	$3,845,210
Const. Interest, Perm. Financing	$2,902,000
Legal Fees	$852,500
Reserves	$1,795,436
Other Costs	$3,663,680
Developer Fee	$5,500,000
Commercial Costs	$0
Total	**$62,220,603**

Residential

Construction Cost Per Square Foot:	$428
Per Unit Cost:	$699,108
True Cash Per Unit Cost*:	$684,501

Construction Financing

Source	Amount
MUFG Union Bank - Tax exempt	$31,843,632
MUFG Union Bank - Taxable	$3,822,804
HACLA Gap Loan	$8,350,000
HACLA Acquisition Loan	$7,100,000
IIG/HACLA	$3,519,300
Deferred Transition Reserve	$1,415,305
Deferred Operations Deficit	$380,131
Deferred Developer Fee	$2,400,000
GP Contribution	$2,000,000
Tax Credit Equity	$1,389,430

Permanent Financing

Source	Amount
MUFG Union Bank (Tranche A)	$2,171,000
MUFG Union Bank (Tranche B)	$11,886,000
HACLA Gap Loan	$8,350,000
HACLA Acquisition Loan	$7,100,000
HCD - AHSC Funding	$12,000,000
IIG/HACLA	$3,519,300
Developer Fee	$1,300,000
GP contribution	$2,000,000
Tax Credit Equity	$13,894,303
TOTAL	**$62,220,603**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$49,513,831
130% High Cost Adjustment:	No
Applicable Fraction:	95.45%
Qualified Basis:	$47,263,202
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$1,528,526
Approved Developer Fee (in Project Cost & Eligible Basis):	$5,500,000
Investor/Consultant:	MUFG Union Bank, N.A.
Federal Tax Credit Factor:	$0.90900

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$49,513,831
Actual Eligible Basis:	$49,513,831
Unadjusted Threshold Basis Limit:	$34,362,984
Total Adjusted Threshold Basis Limit:	$63,935,720

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages
Environmental Mitigation
Local Development Impact Fees
95% of Upper Floor Units are Elevator-Serviced
55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 42%
55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 12%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

The project's per unit costs exceeds the minimum requirements. It has rental subsidies covering 100% of the Tax Credit Units. Forty-seven (47) of the 77 Tax Credit units will receive rental assistance in the form of Section 8 Project-Based vouchers from the Housing Authority of the City of Los Angeles (HACLA), the remaining 7 Tax Credit units will receive rental assistance in the form of HACLA Rental Assistance Demonstration Vouchers, with an additional four from the same commitment letter being administered to another public housing property owned by HACLA.

The project has market rate units which will accommodate current residents who will not qualify for tax credit units after work is completed, in accordance with HUD policies. The units will be leased to qualified residents upon unit turn over.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Bidwell Place Apartments, located at 403 E. Bidwell Street in Folsom, requested and is being recommended for a reservation of $581,708 in annual federal tax credits to finance the new construction of 74 units of housing serving tenants with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by St. Anton Communities, LLC and will be located in Senate District 1 and Assembly District 6.

Project Number CA-20-671

Project Name Bidwell Place Apartments
Site Address: 403 E. Bidwell Street
Folsom, Ca 95630 County: Sacramento
Census Tract: 84.03

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$613,982	$0
Recommended:	$613,982	$0

Applicant Information
Applicant: Bidwell Place, LP
Contact: Sahar Soltani
Address: 1801 I Street, Suite 200
Sacramento CA 95811
Phone: (916) 471-3000
Email: ss@antoncap.com

General Partner(s) or Principal Owner(s): St. Anton Bidwell Place, LLC
PacH Anton South Holdins, LLC
General Partner Type: Joint Venture
Parent Company(ies): Blue Bronco, LLC
Pacific Housing, Inc.
Developer: St. Anton Communities, LLC
Investor/Consultant: Bank of America, N.A.
Management Agent: St. Anton Multifamily, Inc

Project Information
Construction Type: New Construction
Total # Residential Buildings: 3
Total # of Units: 75
No. / % of Low Income Units: 74 100.00%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax Exempt

Bond Information

Issuer:	CalPFA
Expected Date of Issuance:	January 6, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	Capital Region
TCAC Project Analyst:	Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	4	5%
50% AMI:	19	26%
60% AMI:	51	69%

Unit Mix

9 SRO/Studio Units
39 1-Bedroom Units
27 2-Bedroom Units
75 Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
1	SRO/Studio	30%	30%	$453
3	SRO/Studio	50%	50%	$756
5	SRO/Studio	60%	60%	$907
2	1 Bedroom	30%	30%	$486
9	1 Bedroom	50%	50%	$810
28	1 Bedroom	60%	60%	$972
1	2 Bedrooms	30%	30%	$582
7	2 Bedrooms	50%	50%	$971
18	2 Bedrooms	60%	60%	$1,165
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$1,068

Project Cost Summary at Application	
Land and Acquisition	$2,369,700
Construction Costs	$9,125,625
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$453,526
Soft Cost Contingency	$115,433
Relocation	$0
Architectural/Engineering	$465,108
Const. Interest, Perm. Financing	$735,871
Legal Fees	$180,000
Reserves	$176,459
Other Costs	$2,440,117
Developer Fee	$1,720,000
Commercial Costs	$0
Total	**$17,781,839**

Residential	
Construction Cost Per Square Foot:	$175
Per Unit Cost:	$237,091
True Cash Per Unit Cost*:	$233,998

Construction Financing

Source	Amount
Bank of America, N.A.	$10,170,000
City of Folsom	$4,150,000
Tax Credit Equity	$1,091,007

Permanent Financing

Source	Amount
Bank of America, N.A.	$6,960,000
City of Folsom	$4,150,000
Deferred Interest on Folsom Loan	$249,000
Pre-Conversion NOI	$112,396
Deferred Developer Fee	$232,020
Tax Credit Equity	$6,078,422
TOTAL	**$17,781,839**

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

Determination of Credit Amount(s)	
Requested Eligible Basis:	$14,576,960
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$18,950,048
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$613,982
Approved Developer Fee (in Project Cost & Eligible Basis):	$1,720,000
Investor/Consultant:	Bank of America, N.A.
Federal Tax Credit Factor:	$0.99000

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$14,576,960
Actual Eligible Basis:	$14,576,960
Unadjusted Threshold Basis Limit:	$23,899,296
Total Adjusted Threshold Basis Limit:	$34,017,523

Adjustments to Basis Limit

Local Development Impact Fees
95% of Upper Floor Units are Elevator-Serviced
55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 25%
55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 10%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses are below the minimum operating expenses established in the Regulations (See "Significant Information / Additional Conditions" Section below), and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

This Project's annual per unit operating expense total is below the TCAC published per unit operating minimums of $4,800. As allowed by TCAC Regulation Section 10327(g)(1), TCAC approves an annual per unit operating expense total of $4,097 on agreement of the permanent lender and equity investor.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Centertown Apartments, located at 855 C Street in San Rafael, requested and is being recommended for a reservation of $1,314,970 in annual federal tax credits to finance the acquisition and rehabilitation of 59 units of housing serving large families with rents affordable to households earning 50%-60% of area median income (AMI). The project will be developed by BRIDGE Housing Corporation and is located in Senate District 2 and Assembly District 10.

Centertown Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Centertown Apartments (CA-90-151). See **Resyndication and Resyndication Transfer Event** below for additional information. The project financing includes state funding from HCD's Rental Housing Construction Program.

Project Number CA-20-672

Project Name Centertown Apartments
Site Address: 855 C Street
San Rafael, CA 94901 County: Marin
Census Tract: 1110.00

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,314,970	$0
Recommended:	$1,314,970	$0

Applicant Information

Applicant:	Centertown II, LLC
Contact:	Sarah White
Address:	600 California Street San Francisco, CA 94108
Phone:	415-321-4074
Email:	swhite@bridgehousing.com

General Partner(s) or Principal Owner(s):	Centertown II, LLC
General Partner Type:	Nonprofit
Parent Company(ies):	BRIDGE Housing Corporation EAH Housing Corporation
Developer:	BRIDGE Housing Corporation
Investor/Consultant:	Community Economics, Inc.
Management Agent:	EAH Housing Corporation

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	1
Total # of Units:	60
No. / % of Low Income Units:	59 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / CDBG / HOME

Bond Information

Issuer:	CMFA
Expected Date of Issuance:	March 15, 2020

Information

Housing Type:	Large Family
Geographic Area:	Northern Region
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

	Aggregate Targeting Number of Units	Percentage of Affordable Units
50% AMI:	24	41%
60% AMI:	35	59%

Unit Mix

17	1-Bedroom Units
28	2-Bedroom Units
15	3-Bedroom Units
60	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
1	1 Bedroom	50%	21%	$679
5	1 Bedroom	50%	21%	$686
1	1 Bedroom	60%	47%	$1,535
10	1 Bedroom	60%	60%	$1,957
1	2 Bedrooms	50%	21%	$808
1	2 Bedrooms	50%	21%	$810
1	2 Bedrooms	50%	21%	$814
6	2 Bedrooms	50%	21%	$819
1	2 Bedrooms	50%	22%	$855
1	2 Bedrooms	60%	22%	$855
1	2 Bedrooms	60%	34%	$1,336
1	2 Bedrooms	60%	41%	$1,593
1	2 Bedrooms	60%	41%	$1,608
4	2 Bedrooms	60%	43%	$1,699
2	2 Bedrooms	60%	50%	$1,938
1	2 Bedrooms	60%	51%	$2,008
6	2 Bedrooms	60%	60%	$2,349
1	3 Bedrooms	50%	20%	$924
3	3 Bedrooms	50%	21%	$928
1	3 Bedrooms	50%	21%	$962
1	3 Bedrooms	50%	21%	$968
1	3 Bedrooms	50%	21%	$970
1	3 Bedrooms	50%	33%	$1,503
4	3 Bedrooms	60%	33%	$1,504
3	3 Bedrooms	60%	51%	$2,296
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$17,025,203
Construction Costs	$0
Rehabilitation Costs	$9,589,737
Construction Hard Cost Contingency	$1,438,461
Soft Cost Contingency	$350,000
Relocation	$300,000
Architectural/Engineering	$893,059
Const. Interest, Perm. Financing	$2,363,788
Legal Fees	$100,000
Reserves	$597,941
Other Costs	$672,937
Developer Fee	$4,279,164
Commercial Costs	$0
Total	**$37,610,290**

Residential

Construction Cost Per Square Foot:	$142
Per Unit Cost:	$626,838
True Cash Per Unit Cost*:	$551,142

Construction Financing

Source	Amount
Umpqua Bank Tax-Exempt	$21,433,057
Umpqua Bank Taxable	$2,574,831
Seller Carryback	$2,500,000
Marin County - CDBG	$63,732
Marin County - HOME	$950,000
HCD - RHCP[1]	$3,217,829
Marin County (Assumed)	$99,504
City of San Rafael (Assumed)	$259,576
Sponsor Loan	$850,093
General Partner Equity	$100
Tax Credit Equity	$993,355

Permanent Financing

Source	Amount
Umpqua Bank	$5,298,400
Seller Carryback	$2,500,000
Marin County - CDBG	$63,732
Marin County - HOME	$950,000
HCD RHCP[1]	$3,217,829
Marin County (Assumed)	$99,504
City of San Rafael (Assumed)	$259,576
Sponsor Loan	$11,535,939
General Partner Equity	$2,041,764
Tax Credit Equity	$11,643,547
TOTAL	**$37,610,290**

[1]Rental Housing Construction Program
*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$16,413,728
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$19,247,668
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$21,337,846
Qualified Basis (Acquisition):	$19,247,668
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$691,346
Maximum Annual Federal Credit, Acquisition:	$623,624
Total Maximum Annual Federal Credit:	$1,314,970
Approved Developer Fee in Project Cost:	$4,279,164
Approved Developer Fee in Eligible Basis:	$4,241,664
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	$0.88546

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$35,661,395
Actual Eligible Basis:	$35,661,395
Unadjusted Threshold Basis Limit:	$25,007,544
Total Adjusted Threshold Basis Limit:	$37,511,316

Adjustments to Basis Limit

95% of Upper Floor Units are Elevator-Serviced.
55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 40%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC’s underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

This project has a per unit cost of $551,142. Factors contributing to this include the project's acquisition cost, extensive scope of work, and the construction of a new community building.

Resyndication and Resyndication Transfer Event

Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-90-151). 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-90-151) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on TCAC staff's review of the commitment in the application. The services documented in the placed-in-service package will be reviewed by TCAC staff for compliance with this requirement at the time of the placed-in-service submission.

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from the requirements under TCAC Regulation Section 10320(b)(4)(B).

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Towne Square Apartments, located at 11650 Towne Avenue in Los Angeles, requested and is being recommended for a reservation of $854,736 in annual federal tax credits to finance the acquisition and rehabilitation of 50 units of housing with rents affordable to households earning 45-50% of area median income (AMI). The project will be developed by Brookmore Apartment Corporation and is located in Senate District 30 and Assembly District 64.

Towne Square Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Towne Square Apartments (CA-1999-168). See **Resyndication and Resyndication Transfer Event** below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-20-673

Project Name Towne Square Apartments
Site Address: 11650 Towne Avenue
Los Angeles, CA 90061 County: Los Angeles
Census Tract: 2410.01

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$854,736	$0
Recommended:	$854,736	$0

Applicant Information
Applicant: Towne Square Preservation, L.P.
Contact: Joseph Miller
Address: 3204 Rosemead Boulevard, Suite 100
El Monte, CA 91731
Phone: (626) 300-2448
Email: jomiller@frontporch.net

General Partner(s) or Principal Owner(s): Towne Square Apartments, LLC
General Partner Type: Nonprofit
Parent Company(ies): Brookmore Apartment Corporation
Developer: Brookmore Apartment Corporation
Investor/Consultant: Hunt Capital
Management Agent: CARING Housing Ministries, Inc.

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	3
Total # of Units:	51
No. / % of Low Income Units:	50 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt/HUD Section 8 Project Based Vouchers (50 units-100%)

Bond Information

Issuer:	California Public Finance Authority (CalPFA)
Expected Date of Issuance:	June 9, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	City of Los Angeles
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
45% AMI:	24	48%
50% AMI:	26	52%

Unit Mix

18	1-Bedroom Units
30	2-Bedroom Units
3	3-Bedroom Units
51	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
8	1 Bedroom	45%	45%	$950
10	1 Bedroom	50%	50%	$1,056
14	2 Bedrooms	45%	45%	$1,140
15	2 Bedrooms	50%	50%	$1,267
2	3 Bedrooms	45%	45%	$1,318
1	3 Bedrooms	50%	50%	$1,464
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$14,712,760
Construction Costs	$0
Rehabilitation Costs	$6,922,781
Construction Hard Cost Contingency	$685,991
Soft Cost Contingency	$71,712
Relocation	$489,000
Architectural/Engineering	$451,906
Const. Interest, Perm. Financing	$1,683,091
Legal Fees	$214,860
Reserves	$434,236
Other Costs	$665,987
Developer Fee	$2,986,127
Commercial Costs	$0
Total	**$29,318,451**

Residential	
Construction Cost Per Square Foot:	$193
Per Unit Cost:	$574,872
True Cash Per Unit Cost*:	$327,166

Construction Financing

Source	Amount
Citibank Tax-Exempt Loan	$14,000,000
Citibank Taxable Loan	$5,300,000
Seller Carryback Loan	$6,250,000
Reserves	$336,156
Deferred Costs	$2,626,694
GP Equity	$100
Tax Credit Equity	$805,501

Permanent Financing

Source	Amount
Citibank Tax-Exempt Loan	$2,073,462
Citibank Taxable Loan	$5,300,000
Seller Carryback Loan	$12,100,000
NOI	$600,000
Reserves	$336,156
Deferred Developer Fee	$532,965
GP Equity	$298,613
Tax Credit Equity	$8,077,255
TOTAL	**$29,318,451**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$11,623,638
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$11,270,000
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$15,110,729
Qualified Basis (Acquisition):	$11,270,000
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$489,588
Maximum Annual Federal Credit, Acquisition:	$365,148
Total Maximum Annual Federal Credit:	$854,736
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,986,127
Investor/Consultant:	Hunt Capital
Federal Tax Credit Factor:	$0.94500

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$22,893,638
Actual Eligible Basis:	$22,893,638
Unadjusted Threshold Basis Limit:	$19,894,896
Total Adjusted Threshold Basis Limit:	$39,789,792

Adjustments to Basis Limit

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 100%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

The estimated cost of the project is $574,872 per unit. This cost is due in part to the escalating costs of construction materials and labor in Los Angeles. Costs are also affected by the extensive scope of the rehabilitation for all units, as well as unit configurations required to comply with accessibility codes.

Resyndication and Resyndication Transfer Event

Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-1999-168). 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-1999-168) is a qualified low-income household for the subsequent allocation (existing household eligibility is "grandfathered").

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on TCAC staff's review of the commitment in the application. The services documented in the placed-in-service package will be reviewed by TCAC staff for compliance with this requirement at the time of the placed-in-service submission.

The project is a re-syndication occurring concurrently with a Transfer Event without distribution of Net Project Equity and thus is waived from setting aside a Short Term Work Capitalized Replacement Reserve that is otherwise required.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed-in-service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Barrett Terrace Apartments, located at 700 Barrett Avenue in Richmond, requested and is being recommended for a reservation of $2,433,042 in annual federal tax credit to finance the acquisition and rehabilitation of 114 units of housing serving tenants with rents affordable to households earning 50-80% of area median income (AMI). The project will be developed by CHDC and is located in Senate District 9 and Assembly District 15.

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

Project Number CA-20-676

Project Name Barrett Terrace Apartments
Site Address: 700 Barrett Avenue
Richmond, CA 94801 County: Contra Costa
Census Tract: 3760.00

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,433,042	$0
Recommended:	$2,433,042	$0

Applicant Information
Applicant: Barrett Terrace Housing, L.P.
Contact: Donald Gilmore
Address: 1535-A Fred Jackson Way
Richmond, CA 94801
Phone: (510) 412-9290
Email: dgilmore@communityhdc.org

General Partner(s) or Principal Owner(s): CHDC Barrett Terrace, LLC
General Partner Type: Nonprofit
Parent Company(ies): CHDC
Developer: CHDC
Investor/Consultant: California Housing Partnership Corporation
Management Agent: Community Property Management Corp.

Project Information
Construction Type: Acquisition & Rehabilitation
Total # Residential Buildings: 11
Total # of Units: 115
No. / % of Low Income Units: 114 100.00%
Federal Set-Aside Elected: 40%/60% Average Income
Federal Subsidy: Tax-Exempt / HUD Project Based Vouchers (100% - 114 Units)

Bond Information

Issuer:	CMFA
Expected Date of Issuance:	March 1, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	East Bay Region
TCAC Project Analyst:	Franklin Cui

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	87	76%
60% AMI:	7	6%
80% AMI:	20	18%

Unit Mix

30	1-Bedroom Units
60	2-Bedroom Units
19	3-Bedroom Units
6	4-Bedroom Units
115	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
26	1 Bedroom	50%	50%	$1,223
44	2 Bedrooms	50%	50%	$1,468
13	3 Bedrooms	50%	50%	$1,696
4	4 Bedrooms	50%	50%	$1,892
2	1 Bedroom	60%	60%	$1,468
3	2 Bedrooms	60%	60%	$1,762
1	3 Bedrooms	60%	60%	$2,035
1	4 Bedrooms	60%	58%	$2,197
2	1 Bedroom	80%	60%	$1,471
12	2 Bedrooms	80%	62%	$1,832
5	3 Bedrooms	80%	63%	$2,148
1	4 Bedrooms	80%	58%	$2,197
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$28,830,000
Construction Costs	$0
Rehabilitation Costs	$25,219,747
Construction Hard Cost Contingency	$2,521,976
Soft Cost Contingency	$200,000
Relocation	$1,400,000
Architectural/Engineering	$615,000
Const. Interest, Perm. Financing	$3,319,958
Legal Fees	$95,000
Reserves	$1,314,010
Other Costs	$2,270,251
Developer Fee	$7,626,111
Commercial Costs	$0
Total	**$73,412,053**

Residential	
Construction Cost Per Square Foot:	$232
Per Unit Cost:	$638,366
True Cash Per Unit Cost*:	$428,139

Construction Financing

Source	Amount
Citibank Tax Exempt Loan	$41,743,521
Seller Carryback Loan	$19,200,000
Accrued Deferred Interest	$786,892
Existing Project Reserves	$725,840
Costs Deferred to Conversion	$3,748,060
Deferred Developer Fee	$4,976,111
Tax Credit Equity	$2,231,629

Permanent Financing

Source	Amount
Taxable Perm Loan	$13,214,988
Tax Exempt Perm Loan	$3,016,898
Seller Carryback Loan	$19,200,000
Sponsor Loan	$9,600,000
Accrued Deferred Interest	$786,892
Income from Operations	$276,874
Existing Project Reserves	$725,840
Deferred Developer Fee	$4,976,111
Tax Credit Equity	$21,614,450
TOTAL	**$73,412,053**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$36,593,483
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$27,522,343
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$47,571,528
Qualified Basis (Acquisition):	$27,522,343
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$1,541,318
Maximum Annual Federal Credit, Acquisition:	$891,724
Total Maximum Annual Federal Credit:	$2,433,042
Approved Developer Fee (in Project Cost & Eligible Basis):	$7,626,111
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	$0.88837

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$64,115,826
Actual Eligible Basis:	$64,115,826
Unadjusted Threshold Basis Limit:	$55,293,512
Total Adjusted Threshold Basis Limit:	$97,316,581

Adjustments to Basis Limit

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 76%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions: 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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Blake Apartments, located at 2527 San Pablo Avenue in Berkeley, requested and is being recommended for a reservation of $1,654,102 in annual federal tax credits to finance the new construction of 62 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Satellite Affordable Housing Associates and will be located in Senate District 9 and Assembly District 15.

Blake Apartments will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the IIG and AHSC programs of HCD.

Project Number CA-20-677

Project Name Blake Apartments
Site Address: 2527 San Pablo Avenue
Berkeley, CA 94702 County: Alameda
Census Tract: 4233.00

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,654,102	$0
Recommended:	$1,654,102	$0

Applicant Information

Applicant:	Blake Apartments, L.P.
Contact:	Jonathan Astmann
Address:	1835 Alcatraz Avenue Berkeley, CA 94703
Phone:	510-809-2769
Email:	jastmann@sahahomes.org

General Partner(s) or Principal Owner(s):	Satellite AHA Development Inc.
General Partner Type:	Nonprofit
Parent Company(ies):	Satellite Affordable Housing Associates
Developer:	Satellite Affordable Housing Associates
Investor/Consultant:	Community Economics
Management Agent:	Satellite Affordable Housing Associates

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	63
No. / % of Low Income Units:	62 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / Section 8 Project-based Vouchers (18 units - 29%)

Bond Information

Issuer:	California Municipal Finance Authority
Expected Date of Issuance:	June 2, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	East Bay Region
TCAC Project Analyst:	Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	19	31%
50% AMI:	9	15%
60% AMI:	34	55%

Unit Mix

18	SRO/Studio Units
11	1-Bedroom Units
33	2-Bedroom Units
1	3-Bedroom Units
63	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
5	SRO/Studio	30%	30%	$685
2	SRO/Studio	30%	30%	$685
6	SRO/Studio	50%	50%	$1,142
5	SRO/Studio	60%	60%	$1,371
8	1 Bedroom	30%	30%	$734
3	1 Bedroom	60%	60%	$1,468
4	2 Bedrooms	30%	30%	$881
3	2 Bedrooms	50%	50%	$1,468
26	2 Bedrooms	60%	60%	$1,762
1	3 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$5,587,248
Construction Costs	$27,311,719
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$2,591,174
Soft Cost Contingency	$659,569
Relocation	$0
Architectural/Engineering	$789,509
Const. Interest, Perm. Financing	$2,732,604
Legal Fees	$24,611
Reserves	$269,535
Other Costs	$3,023,800
Developer Fee	$3,500,000
Commercial Costs	$743,921
Total	**$47,233,689**

Residential	
Construction Cost Per Square Foot:	$503
Per Unit Cost:	$737,933
True Cash Per Unit Cost*:	$717,981

Construction Financing	
Source	Amount
Wells Fargo	$26,516,327
HCD - IIG	$3,000,000
Regional Center of the East Bay	$1,500,000
City of Berkeley	$12,000,000
Tax Credit Equity	$1,455,610

Permanent Financing	
Source	Amount
CCRC Permanent - Tranche A	$477,100
CCRC Permanent - Tranche B	$2,877,900
HCD - AHSC	$11,663,523
HCD - IIG	$3,000,000
Regional Center of the East Bay	$1,500,000
City of Berkeley	$12,000,000
General Partner Equity	$756,493
Deferred Developer Fee	$520,575
Tax Credit Equity	$14,438,098
TOTAL	**$47,233,689**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$39,271,175
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$51,052,528
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$1,654,102
Approved Developer Fee (in Project Cost & Eligible Basis):	$3,500,000
Investor/Consultant:	Community Economics
Federal Tax Credit Factor:	$0.87287

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$39,271,175
Actual Eligible Basis:	$39,271,175
Unadjusted Threshold Basis Limit:	$27,719,772
Total Adjusted Threshold Basis Limit:	$59,598,631

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

Parking Beneath Residential Units or On-Site Parking Structure of Two or More Levels

Local Development Impact Fees

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 14%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 60%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions:

This project has a per unit development cost of approximately $717,981. The applicant noted that the per unit cost is attributed to the development's location, LEED energy efficiency standards, prevailing wage and the use of concrete for the first floor of the building.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 9, 2020

Pointe on La Brea, located at 843 N. La Brea Ave. in Los Angeles, requested and is being recommended for a reservation of $1,007,177 in annual federal tax credits to finance the new construction of 49 units of housing serving special needs tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by EAH Housing and will be located in Senate District 26 and Assembly District 50.

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 NPLH program(s) of HCD.

Project Number CA-20-678

Project Name Pointe on La Brea
Site Address: 843 N. La Brea Ave.
Los Angeles, CA 90038 County: Los Angeles
Census Tract: 1920.01

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,007,177	$0
Recommended:	$1,007,177	$0

Applicant Information
Applicant: Pointe on La Brea, L.P.
Contact: Francisco Lopez
Address: 1200 W. 7th Street., 8th Floor
Los Angeles, CA 90017
Phone: 213-808-8656
Email: francisco.d.lopez@lacity.org

General Partner(s) or Principal Owner(s): Pointe on La Brea EAH, LLC
General Partner Type: Nonprofit
Parent Company(ies): EAH, Inc.
Developer: EAH Housing
Investor/Consultant: Union Bank
Management Agent: EAH

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	1	
Total # of Units:	50	
No. / % of Low Income Units:	49	100.00%
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt / HUD Sec. 8 Project-based Vouchers (49 units / 100%)	

Bond Information

Issuer:	City of Los Angeles
Expected Date of Issuance:	May 1, 2021

Information

Housing Type:	Special Needs
Geographic Area:	City of Los Angeles
TCAC Project Analyst:	Jonghyun(Tommy), Shim

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	49	100%

Unit Mix

49 SRO/Studio Units
1 2-Bedroom Units
50 Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
49	SRO/Studio	30%	30%	$588
1	2 Bedrooms	Manager's Unit	Manager's Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$5,743,775
Construction Costs	$16,810,859
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$1,085,655
Soft Cost Contingency	$242,326
Relocation	$0
Architectural/Engineering	$731,900
Const. Interest, Perm. Financing	$1,660,356
Legal Fees	$77,400
Reserves	$628,248
Other Costs	$1,319,950
Developer Fee	$2,870,910
Commercial Costs	$0
Total	**$31,171,379**

Residential	
Construction Cost Per Square Foot:	$616
Per Unit Cost:	$623,428
True Cash Per Unit Cost*:	$616,009

Construction Financing

Source	Amount
Union Bank - Tax-Exempt Construc	$17,618,202
LACDA - NPLH	$5,200,800
LACDA - AHTF	$4,200,000
Deferred Cost	$2,436,248
GP Capital	$100
Deferred Developer Fee	$370,910
Tax Credit Equity	$1,345,119

Permanent Financing

Source	Amount
Union Bank	$2,610,000
LACDA - NPLH	$5,280,000
LACDA - AHTF	$5,000,000
HCIDLA - HHH	$8,624,000
GP Capital	$100
Deferred Developer Fee	$370,910
Tax Credit Equity	$9,286,369
TOTAL	**$31,171,379**

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

Determination of Credit Amount(s)	
Requested Eligible Basis:	$24,022,848
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$31,229,702
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$1,007,177
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,870,910
Investor/Consultant:	Union Bank
Federal Tax Credit Factor:	$0.92202

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$24,022,848
Actual Eligible Basis:	$24,022,848
Unadjusted Threshold Basis Limit:	$14,782,248
Total Adjusted Threshold Basis Limit:	$51,860,046

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

Parking Beneath Residential Units or On-Site Parking Structure of Two or More Levels

100% of the Low Income Units for Special Needs Population

Local Development Impact Fees

95% of Upper Floor Units are Elevator-Serviced

Highest or High Resource Opportunity Area

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 200%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

This project's estimated residential cost per unit is $623,428. The applicant indicated factors contributing to cost are the location in Los Angeles County, environmental mitigation, having the project re-entitled under the Transit Oriented Communities designation. The project sits on a small parcel of approximately 0.26 acres and will hold 50 units and per the TOC guidelines, must meet open space requirements. In addition, the project hired a land use attorney for guidance in getting through the appeals process costs related to California Environmental Quality Act (CEQA) designation.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Solaris Apartments, located at 1141-1145 Crenshaw Boulevard in Los Angeles, requested and is being recommended for a reservation of $654,245 in annual federal tax credits to finance the new construction of 42 units of housing serving special needs tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Domus Development, LLC and will be located in Senate District 30 and Assembly District 54.

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 NPLH program of HCD.

Project Number CA-20-680

Project Name Solaris Apartments

Site Address: 1141-1145 Crenshaw Boulevard
Los Angeles, CA 90019 County: Los Angeles

Census Tract: 2128.00

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$654,245	$0
Recommended:	$654,245	$0

Applicant Information

Applicant:	1141 Crenshaw, L.P.
Contact:	Monique Hastings
Address:	9 Cushing, Suite 200 Irvine, CA 92618
Phone:	949-923-7805
Email:	mhastings@newportpartners.com

General Partner(s) or Principal Owner(s):	Koreatown Youth and Community Center Domus GP LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Koreatown Youth and Community Center Domus Development, LLC
Developer:	Domus Development, LLC
Investor/Consultant:	Alliant Capital
Management Agent:	Domus Management Company

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	43
No. / % of Low Income Units:	42 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (42 units - 100%

Bond Information

Issuer:	Housing & Community Investment Department Los Angeles
Expected Date of Issuance:	April 15, 2021

Information

Housing Type:	Special Needs
Geographic Area:	City of Los Angeles
TCAC Project Analyst:	Franklin Cui

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	42	100%

Unit Mix

26 1-Bedroom Units
17 2-Bedroom Units
43 Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
26	1 Bedroom	30%	30%	$633
16	2 Bedrooms	30%	30%	$760
1	2 Bedrooms	Manager's Unit	Manager's Unit	$0

Project Cost Summary at Application

Land and Acquisition	$4,257,217
Construction Costs	$14,179,880
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$713,994
Soft Cost Contingency	$78,770
Relocation	$0
Architectural/Engineering	$789,076
Const. Interest, Perm. Financing	$1,288,702
Legal Fees	$180,000
Reserves	$702,872
Other Costs	$2,232,941
Developer Fee	$2,526,548
Commercial Costs	$0
Total	**$26,950,000**

Residential

Construction Cost Per Square Foot:	$252
Per Unit Cost:	$626,744
True Cash Per Unit Cost*:	$616,664

Construction Financing

Source	Amount
Citibank - Tax Exempt Bonds	$14,000,000
HCIDLA Prop HHH	$5,000,000
LACDA NPLH	$6,230,000
Deferred Developer Fee	$1,131,000
Tax Credit Equity	$589,000

Permanent Financing

Source	Amount
Citibank - Perm Loan	$5,130,000
HCIDLA - Prop HHH	$9,240,000
LACDA - NPLH	$6,230,000
Deferred Developer Fee	$433,452
GP Equity	$26,548
Tax Credit Equity	$5,890,000
TOTAL	**$26,950,000**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$21,241,715
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	$21,241,715
Applicable Rate:	3.24%
Total Annual Federal Credit:	$654,245
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,526,548
Investor/Consultant:	Alliant Capital
Federal Tax Credit Factor:	$0.90028

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$21,241,715
Actual Eligible Basis:	$21,241,715
Unadjusted Threshold Basis Limit:	$15,730,032
Total Adjusted Threshold Basis Limit:	$54,187,209

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

100% of the Low Income Units for Special Needs Population

Local Development Impact Fees

95% of Upper Floor Units are Elevator-Serviced

Highest or High Resource Opportunity Area

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 200%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC’s underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions: 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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Summertree Apartments, located at 555 and 601 Community Lane in Woodland, requested and is being recommended for a reservation of $770,058 in annual federal tax credits to finance the acquisition and rehabilitation of 91 units of housing with rents affordable to households earning 50-60% of area median income (AMI). The project will be developed by Impact Development Group, LLC and Toffer Mann Investments, LLC and is located in Senate District 3 and Assembly District 4.

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

Project Number	CA-20-681	
Project Name	Summertree Apartments	
Site Address:	555 & 601 Community Lane	
	Woodland, CA 95695	County: Yolo
Census Tract:	110.01	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$770,058	$0
Recommended:	$770,058	$0

Applicant Information

Applicant:	IDG-TMI Equity Partners
Contact:	Kristoffer J. Kaufmann
Address:	701 S. Myrtle Avenue Monrovia, CA 91016
Phone:	(626) 698-6361
Email:	k.kaufmann@highlandcompanies.com

General Partner(s) or Principal Owner(s):	NHC MGP I LLC Impact Development Group, LLC Toffer Mann Investments, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	National Housing Corporation, Inc. Impact Development Group, LLC Toffer Mann Investments, LLC
Developer:	Impact Development Group, LLC and Toffer Mann Investments, LLC
Investor/Consultant:	Boston Financial Investment Management
Management Agent:	AWI Management

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	23
Total # of Units:	93
No. / % of Low Income Units:	91 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project Based Contract (91 units - 100%)

Bond Information

Issuer:	CSCDA
Expected Date of Issuance:	December 9, 2020

Information

Housing Type:	Non-Targeted
Geographic Area:	Capital Region
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
50% AMI:	28	31%
60% AMI:	63	69%

Unit Mix

63	1-Bedroom Units
15	2-Bedroom Units
15	3-Bedroom Units
93	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
18	1 Bedroom	50%	50%	$867
45	1 Bedroom	60%	60%	$1,041
2	2 Bedrooms	50%	50%	$1,041
2	2 Bedrooms	60%	60%	$1,249
3	2 Bedrooms	50%	50%	$1,041
7	2 Bedrooms	60%	60%	$1,249
5	3 Bedrooms	50%	50%	$1,202
9	3 Bedrooms	60%	60%	$1,443
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0
1	3 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$16,000,000
Construction Costs	$0
Rehabilitation Costs	$6,450,500
Construction Hard Cost Contingency	$0
Soft Cost Contingency	$0
Relocation	$50,000
Architectural/Engineering	$120,000
Const. Interest, Perm. Financing	$1,348,500
Legal Fees	$170,000
Reserves	$407,600
Other Costs	$212,831
Developer Fee	$2,826,941
Commercial Costs	$0
Total	**$27,586,372**

Residential	
Construction Cost Per Square Foot:	$85
Per Unit Cost:	$296,628
True Cash Per Unit Cost*:	$278,815.35

Construction Financing

Source	Amount
Citibank Tax-Exempt Loan	$15,000,000
Citibank Taxable Loan	$5,000,000
Tax Credit Equity	$3,464,914

Permanent Financing

Source	Amount
Citibank Tax-Exempt Loan	$13,000,000
Citibank Taxable Loan	$6,000,000
Deferred Developer Fee	$1,656,544
Tax Credit Equity	$6,929,828
TOTAL	**$27,586,372**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$8,841,991
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	$14,925,250
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$8,841,991
Qualified Basis (Acquisition):	$14,925,250
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$286,480
Maximum Annual Federal Credit, Acquisition:	$483,578
Total Maximum Annual Federal Credit:	$770,058
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,826,941
Investor/Consultant:	Boston Financial Investment Management
Federal Tax Credit Factor:	$0.89991

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$23,767,241
Actual Eligible Basis:	$23,767,241
Unadjusted Threshold Basis Limit:	$31,666,878
Total Adjusted Threshold Basis Limit:	$41,166,941

Adjustments to Basis Limit

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 30%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions: 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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Spring-Encino Apartments, located at 402 S. Eastern Avenue & 1165 B Street in Brawley, requested and is being recommended for a reservation of $356,932 in annual federal tax credits to finance the acquisition and rehabilitation of 94 units of housing serving tenants with rents affordable to households earning 50-60% of area median income (AMI). The project will be developed by Highland Property Development and is located in Senate District 40 and Assembly District 56.

Spring-Encino Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Spring & Encino Villages (CA-2004-810). See **Resyndication and Resyndication Transfer Event** below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number	CA-20-682	
Project Name	Spring-Encino Apartments	
Site Address:	402 S. Eastern Avenue & 1165 B Street	
	Brawley, CA 92227	County: Imperial
Census Tract:	107 & 104	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$356,932	$0
Recommended:	$356,932	$0

Applicant Information

Applicant:	Highland Property Development on behalf of HPD S-E LP
Contact:	Kristoffer J. Kaufmann
Address:	701 S. Myrtle Avenue Monrovia, CA 91016
Phone:	(626) 698-6361
Email:	k.kaufmann@highlandcompanies.com

General Partner(s) or Principal Owner(s):	Highland Property Development LLC Hearthstone CA Properties II, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Highland Property Development LLC Hearthstone Housing Foundation
Developer:	Highland Property Development
Investor/Consultant:	Boston Financial Investment Mgmt.
Management Agent:	Hyder & Company

Project Information

Construction Type: Acquisition & Rehabilitation
Total # Residential Buildings: 9
Total # of Units: 96
No. / % of Low Income Units: 94 100.00%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax-Exempt / HUD Project-based Contract (94 Units - 100%) / USDA RHS 515 / USDA RHS 538

Bond Information

Issuer: CSCDA
Expected Date of Issuance: December 9, 2020

Information

Housing Type: Non-Targeted
Geographic Area: Inland Empire Region
TCAC Project Analyst: Franklin Cui

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
50% AMI:	32	34%
60% AMI:	62	66%

Unit Mix

32	1-Bedroom Units
64	2-Bedroom Units
96	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
5	1 Bedroom	50%	50%	$656
14	2 Bedrooms	60%	50%	$787
11	1 Bedroom	50%	60%	$787
33	2 Bedrooms	60%	60%	$945
5	1 Bedroom	50%	50%	$656
5	2 Bedrooms	60%	50%	$787
11	1 Bedroom	50%	60%	$787
10	2 Bedrooms	60%	60%	$945
2	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$3,711,000
Construction Costs	$0
Rehabilitation Costs	$4,993,920
Construction Hard Cost Contingency	$432,000
Soft Cost Contingency	$0
Relocation	$50,000
Architectural/Engineering	$130,000
Const. Interest, Perm. Financing	$399,650
Legal Fees	$142,000
Reserves	$355,300
Other Costs	$194,930
Developer Fee	$1,227,990
Commercial Costs	$0
Total	**$11,636,790**

Residential	
Construction Cost Per Square Foot:	$72
Per Unit Cost:	$121,217
True Cash Per Unit Cost*:	$108,945

Construction Financing

Source	Amount
JP Morgan Chase	$6,000,000
USDA	$2,150,000
Net Operating Income	$168,000
Tax Credit Equity	$2,315,500

Permanent Financing

Source	Amount
Bonneville Mortgage Company	$5,000,000
USDA	$2,150,000
Deferred Developer Fee	$1,178,103
Net Operating Income	$168,000
Tax Credit Equity	$3,140,687
TOTAL	**$11,636,790**

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

Determination of Credit Amount(s)	
Requested Eligible Basis (Rehabilitation):	$2,307,538
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$3,401,595
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$7,614,877
Qualified Basis (Acquisition):	$3,401,595
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$246,722
Maximum Annual Federal Credit, Acquisition:	$110,212
Total Maximum Annual Federal Credit:	$356,932
Approved Developer Fee (in Project Cost & Eligible Basis):	$1,227,990
Investor/Consultant:	Boston Financial Investment Mgmt.
Federal Tax Credit Factor:	$0.87991

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$10,324,210
Actual Eligible Basis:	$10,324,210
Unadjusted Threshold Basis Limit:	$32,879,776
Total Adjusted Threshold Basis Limit:	$44,058,900

Adjustments to Basis Limit

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 34%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

This project involves the substantial rehabilitation of 2 existing LIHTC/Section 8/USDA scattered-site projects originally constructed in the 1980s in the City of Brawley.

Resyndication and Resyndication Transfer Event

Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-04-810). 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

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-04-810) is a qualified low-income household for the subsequent allocation (existing household eligibility is

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from the requirements under TCAC Regulation Section 10320(b)(4)(B).

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Harriet Tubman Terrace Apartments, located at 2870 Adeline Street in Berkeley, requested and is being recommended for a reservation of $1,323,800 in annual federal tax credits to finance the acquisition and rehabilitation of 90 units of housing serving seniors with rents affordable to households earning 50-60% of area median income (AMI). The project will be developed by NFAHS Development LLC and is located in Senate District 9 and Assembly District 15.

Harriet Tubman Terrace Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Harriet Tubman Terrace Apartments (CA-2004-873). See **Resyndication and Resyndication Transfer Event** below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number CA-20-688

Project Name Harriet Tubman Terrace Apartments
Site Address: 2870 Adeline Street
Berkeley, CA 94703 County: Alameda
Census Tract: 4235.00

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,323,800	$0
Recommended:	$1,323,800	$0

Applicant Information
Applicant: HT Terrace Renewal LP
Contact: Todd Travis
Address: 11810 Grand Park Avenue, Suite 600
North Bethesda, MD 20853
Phone: 301-998-0401
Email: todd@foundationhousing.com

General Partner(s) or Principal Owner(s): Renewal Housing, Inc.
Pennant Housing Group
General Partner Type: Joint Venture
Parent Company(ies): Foundation Housing
Pennant Housing Group
Developer: NFAHS Development LLC
Investor/Consultant: The Richman Group
Management Agent: Apartments Management Consultants LLC

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	1
Total # of Units:	91
No. / % of Low Income Units:	90 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Contract (90 units / 100%)

Bond Information

Issuer:	CSCDA
Expected Date of Issuance:	March 31, 2021
Credit Enhancement:	Greystone Servicing Company LLC

Information

Housing Type:	Seniors
Geographic Area:	East Bay Region
TCAC Project Analyst:	Jonghyun(Tommy), Shim

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	28	31%
60% AMI:	62	69%

Unit Mix

48	SRO/Studio Units
42	1-Bedroom Units
1	2-Bedroom Units
91	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
33	SRO/Studio	60%	60%	$1,371
15	SRO/Studio	50%	50%	$1,142
29	1 Bedroom	60%	60%	$1,468
13	1 Bedroom	50%	50%	$1,223
1	2 Bedrooms	Manager's Unit	Manager's Unit	$0

Project Cost Summary at Application

Land and Acquisition	$34,160,000
Construction Costs	$0
Rehabilitation Costs	$6,364,400
Construction Hard Cost Contingency	$622,440
Soft Cost Contingency	$50,000
Relocation	$182,000
Architectural/Engineering	$150,500
Const. Interest, Perm. Financing	$1,656,972
Legal Fees	$295,000
Reserves	$761,056
Other Costs	$298,389
Developer Fee	$2,500,000
Commercial Costs	$0
Total	**$47,040,757**

Residential

Construction Cost Per Square Foot:	$101
Per Unit Cost:	$516,931
True Cash Per Unit Cost*:	$515,541

Construction Financing

Source	Amount
CSCDA Tax-Exempt	$22,380,000
Greystone Servicing Corporation	$15,072,812
Equity Bridge Loan	$4,100,000
Deferred Developer Fee	$126,553
Tax Credit Equity	$5,361,392

Permanent Financing

Source	Amount
Greystone Servicing Corporation	$35,000,000
Deferred Developer Fee	$126,553
Tax Credit Equity	$11,914,204
TOTAL	**$47,040,757**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$8,618,896
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$31,859,345
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$11,204,565
Qualified Basis (Acquisition):	$31,859,345
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$291,557
Maximum Annual Federal Credit, Acquisition:	$1,032,243
Total Maximum Annual Federal Credit:	$1,323,800
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,500,000
Investor/Consultant:	The Richman Group
Federal Tax Credit Factor:	$0.90000

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$40,478,242
Actual Eligible Basis:	$40,478,242
Unadjusted Threshold Basis Limit:	$34,602,360
Total Adjusted Threshold Basis Limit:	$48,789,328

Adjustments to Basis Limit

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 31%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions
The reservation of tax credits is contingent upon verification by HUD of the contract renewal amounts within 180 days of the date of reservation.

This project per unit costs is $515,541. The applicant noted the per unit cost is attributed to the project's location in the San Francisco Bay Area, which is a high cost region, and the hard cost expenditures.

Pursuant to TCAC Regulation Section 10326(g)(5), general partners lacking documented experience with Section 42 requirements using the minimum scoring standards of Section 10325(c)(2)(A) shall be required to complete training as prescribed by TCAC prior to a project's placing in service. At least one of the cogeneral partners shall complete training as prescribed by TCAC prior to the project's placing in service.

Resyndication and Resyndication Transfer Event
Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-2004-873). 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 and any deeper targeting levels in the new regulatory agreement(s) for the duration of the new regulatory agreement. 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-04-873) is a qualified low-income household for the subsequent allocation (existing household eligibility is "grandfathered").

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on TCAC staff's review of the commitment in the application. The services documented in the placed in service package will be reviewed by TCAC staff for compliance with this requirement at the time of the placed in service submission.

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from the requirements under TCAC Regulation Section 10320(b)(4)(B). The project is currently subject to a Capital Needs Agreement due to a prior Transfer Event. There is a capitalized replacement reserve in the amount of $46,876 which will continue to stay with the project and is excluded from eligible basis.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Fruitvale Transit Village Phase IIB, located at 3511 E. 12th Street in Oakland, requested and is being recommended for a reservation of $4,779,247 in annual federal tax credits to finance the new construction of 179 units of housing with rents affordable to households earning 20-80% of area median income (AMI). The project will be developed by BRIDGE Housing Corporation and will be located in Senate District 9 and Assembly District 18.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from HCD's AHSC and TOD programs.

Project Number CA-20-692

Project Name Fruitvale Transit Village Phase IIB
Site Address: 3511 E. 12th Street
Oakland, CA 94601 County: Alameda
Census Tract: 406100.00

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$4,779,247	$0
Recommended:	$4,779,247	$0

Applicant Information
Applicant: 3511 East 12th Street LP
Contact: Zaheen Chowdhury
Address: 600 California Street, Suite 900
San Francisco, CA 94108
Phone: 415-321-4071
Email: zchowdhury@bridgehousing.com

General Partner(s) or Principal Owner(s): Fruitvale Phase IIB LLC
General Partner Type: Nonprofit
Parent Company(ies): BRIDGE Housing Corporation
The Spanish-Speaking Unity Council
of Alameda County, Inc.
Developer: BRIDGE Housing Corporation
Investor/Consultant: California Housing Partnership Corporation
Management Agent: BRIDGE Property Management Company

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	2
Total # of Units:	181
No. / % of Low Income Units:	179 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt/HUD Section 8 Project Based Vouchers (75 units - 42%)

Bond Information

Issuer:	California Municipal Finance Authority
Expected Date of Issuance:	March 15, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	East Bay Region
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	46	26%
50% AMI:	29	16%
60% AMI:	94	53%
80% AMI:	10	6%

Unit Mix

28	SRO/Studio Units
70	1-Bedroom Units
55	2-Bedroom Units
28	3-Bedroom Units
181	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
28	SRO/Studio	20%	20%	$457
18	1 Bedroom	20%	20%	$489
10	1 Bedroom	50%	50%	$1,223
13	2 Bedrooms	50%	50%	$1,468
6	3 Bedrooms	50%	50%	$1,696
38	1 Bedroom	60%	60%	$1,468
36	2 Bedrooms	60%	60%	$1,762
20	3 Bedrooms	60%	60%	$2,035
4	1 Bedroom	80%	80%	$1,957
4	2 Bedrooms	80%	80%	$2,349
2	3 Bedrooms	80%	80%	$2,714
2	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$7,957,993
Construction Costs	$85,435,100
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$4,292,220
Soft Cost Contingency	$650,779
Relocation	$0
Architectural/Engineering	$3,366,815
Const. Interest, Perm. Financing	$10,451,548
Legal Fees	$182,594
Reserves	$1,698,420
Other Costs	$7,982,127
Developer Fee	$3,500,000
Commercial Costs	$3,741,499
Total	**$129,259,095**

Residential

Construction Cost Per Square Foot:	$498
Per Unit Cost:	$690,591
True Cash Per Unit Cost*:	$682,577

Construction Financing

Source	Amount
Chase Bank	$62,709,790
Chase Bank Taxable Loan	$20,911,035
HCD TOD Loan	$2,500,000
Alameda County A1 Loan	$16,227,175
City of Oakland Loan	$5,229,000
City of Oakland Ground Lease Loan	$8,100,000
City of Oakland Increment Loan	$4,350,000
Tax Credit Equity	$4,128,892

Permanent Financing

Source	Amount
CCRC Tranche A	$9,994,000
CCRC Tranche B	$13,522,000
HCD AHSC Loan	$20,000,000
HCD TOD Loan	$5,000,000
HCD TOD Grant	$2,500,000
Alameda County A1 Loan	$16,227,175
City of Oakland Loan	$5,229,000
City of Oakland Ground Lease Loan	$8,100,000
City of Oakland Increment Loan	$4,350,000
Deferred Developer Fee	$1,500,000
Tax Credit Equity	$42,836,920
TOTAL	**$129,259,095**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$113,467,399
130% High Cost Adjustment:	Yes
Requested Eligible Basis:	$0
Applicable Fraction:	100.00%
Qualified Basis:	$147,507,619
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$4,779,247
Approved Developer Fee (in Project Cost & Eligible Basis):	$3,500,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	$0.89631

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$113,467,399
Actual Eligible Basis:	$113,467,399
Unadjusted Threshold Basis Limit:	$83,148,984
Total Adjusted Threshold Basis Limit:	$172,949,886

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages.

● Project subject to a project labor agreement or Project will use skilled and trained workforce performing within an apprenticeable occupation.

Parking Beneath Residential Units or On-Site Parking Structure of Two or More Levels.

95% of Upper Floor Units are Elevator-Serviced.

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 16%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 50%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

Development cost is over $680,000 per unit. Factors driving this cost include a requirement to use prevailing wages and a project labor agreement, a requirement to use special fire-treated lumber for one of the two buildings, construction of subterranean parking and approximately $3,000,000 in permit and

The project will include an approximately 7,000 square foot community service facility that will be occupied by a local non-profit organization providing services to local youth. These services will be provided at no cost to the recipients.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

11010 Santa Monica Boulevard, located at 11010 Santa Monica Boulevard in Los Angeles, requested and is being recommended for a reservation of $987,749 in annual federal tax credits to finance the new construction of 50 units of housing serving special needs tenants with rents affordable to households earning 50% of area median income (AMI). The project will be developed by Weingart Center Association and will be located in Senate District 30 and Assembly District 54.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers & HUD VASH Project-based Vouchers. The project financing includes state funding from the VHHP program of HCD.

Project Number	CA-20-695	
Project Name	11010 Santa Monica Boulevard	
Site Address:	11010 Santa Monica Boulevard	
	Los Angeles, CA 90025	County: Los Angeles
Census Tract:	2672.00	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$987,749	$0
Recommended:	$987,749	$0

Applicant Information

Applicant:	11010 SMB LP
Contact:	Ben Rosen
Address:	566 S. San Pedro St. Los Angeles, CA 90013
Phone:	(213) 689-2183
Email:	benr@weingart.org

General Partner(s) or Principal Owner(s):	11010 SMB LLC VH 11010 SMB GP, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Weingart Center Association Valued Housing II, LLC
Developer:	Weingart Center Association
Investor/Consultant:	California Housing Partnership
Management Agent:	Barker Management Inc.

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	51
No. / % of Low Income Units:	50 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD VASH Project-based Vouchers (25 Units - 50%) / HUD Section 8 Project-based Vouchers (25 Units - 50%)

Bond Information

Issuer:	City of Los Angeles
Expected Date of Issuance:	May 7, 2021

Information

Housing Type:	Special Needs
Geographic Area:	City of Los Angeles
TCAC Project Analyst:	Tiffani Negrete

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	50	100%

Unit Mix

50	SRO/Studio Units
1	2-Bedroom Units
51	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
25	SRO/Studio	50%	30%	$592
25	SRO/Studio	50%	30%	$592
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$52,500
Construction Costs	$14,973,612
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$1,497,361
Soft Cost Contingency	$350,000
Relocation	$0
Architectural/Engineering	$1,049,300
Const. Interest, Perm. Financing	$1,947,448
Legal Fees	$230,000
Reserves	$666,704
Other Costs	$1,654,649
Developer Fee	$2,789,301
Commercial Costs	$0
Total	**$25,210,875**

Residential	
Construction Cost Per Square Foot:	$556
Per Unit Cost:	$494,331
True Cash Per Unit Cost*:	$494,331

Construction Financing

Source	Amount
Wells Fargo Bank N.A.	$13,549,000
HCIDLA - Prop HHH Loan	$7,000,000
AHP	$750,000
Deferred Costs	$1,969,579
Contributed Developer Fee	$289,401
Tax Credit Equity	$1,652,895

Permanent Financing

Source	Amount
CCRC	$2,012,000
HCIDLA - Prop HHH Loan	$7,000,000
HCD - VHHP	$6,435,000
AHP	$750,000
Contributed Developer Fee	$289,401
Tax Credit Equity	$8,724,474
TOTAL	**$25,210,875**

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

Determination of Credit Amount(s)	
Requested Eligible Basis:	$23,450,842
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$30,486,095
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$987,749
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,789,301
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	$0.88327

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$23,450,842
Actual Eligible Basis:	$23,450,842
Unadjusted Threshold Basis Limit:	$15,075,600
Total Adjusted Threshold Basis Limit:	$36,406,659

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

Local Development Impact Fees

95% of Upper Floor Units are Elevator-Serviced

Highest or High Resource Opportunity Area

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 100%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

The proposed rents do not include any utility allowance. The owner will pay for all utilities.

Pursuant to regulation section 10326(g)(5), general partners and management companies lacking documented experience with Section 42 requirements using the minimum scoring standards of section 10325(c)(2)(A) and (B) shall be required to complete training as prescribed by TCAC prior to the project placing in service. Specifically, at least one of the co-general partners, 11010 SMB LLC or VH 11010 SMB GP, LLC, shall complete training as prescribed by TCAC prior to the project placing in service.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Immanuel-Sobrato Community, located at 1710 Moorpark Avenue in San Jose, requested and is being recommended for a reservation of $2,629,516 in annual federal tax credits to finance the new construction of 106 units of housing serving special needs tenants with rents affordable to households earning 50-60% of area median income (AMI). The project will be developed by MidPen Housing Corporation and will be located in Senate District 15 and Assembly District 28.

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

Project Number	CA-20-696	
Project Name	Immanuel-Sobrato Community	
Site Address:	1710 Moorpark Avenue	
	San Jose, CA 95128	County: Santa Clara
Census Tract:	5021.02	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,629,516	$0
Recommended:	$2,629,516	$0

Applicant Information

Applicant:	MP Moorpark Associates, L.P.
Contact:	Jan M. Lindenthal
Address:	303 Vintage Park Drive, Suite 250 Foster City, CA 94404
Phone:	650-356-2900
Email:	jlindenthal@midpen-housing.org

General Partner(s) or Principal Owner(s):	MP Moorpark, LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Mid-Peninsula Baker Park, Inc.
Developer:	MidPen Housing Corporation
Investor/Consultant:	National Equity Fund
Management Agent:	MidPen Property Management Corporation

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	108
No. / % of Low Income Units:	106 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (106 units - 100%)

Bond Information

Issuer:	City of San Jose
Expected Date of Issuance:	May 1, 2021

Information

Housing Type:	Special Needs
Geographic Area:	South and West Bay Region
TCAC Project Analyst:	Jonghyun(Tommy), Shim

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	96	91%
60% AMI:	10	9%

Unit Mix

106 SRO/Studio Units
2 2-Bedroom Units
108 Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
53	SRO/Studio	50%	30%	$829
43	SRO/Studio	50%	45%	$1,253
10	SRO/Studio	60%	45%	$1,253
2	2 Bedrooms	Manager's Unit	Manager's Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$4,356,430
Construction Costs	$47,287,744
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$2,491,938
Soft Cost Contingency	$496,504
Relocation	$66,813
Architectural/Engineering	$2,407,030
Const. Interest, Perm. Financing	$4,108,799
Legal Fees	$157,208
Reserves	$3,098,985
Other Costs	$3,324,598
Developer Fee	$2,800,000
Commercial Costs	$1,347,020
Total	**$71,943,069**

Residential	
Construction Cost Per Square Foot:	$751
Per Unit Cost:	$653,215
True Cash Per Unit Cost*:	$650,491

Construction Financing

Source	Amount
SVB - Tax Exempt	$34,980,000
County of Santa Clara Measure A	$16,654,646
City of San Jose	$9,045,516
AHP	$1,060,000
MidPen / Sobrato Foundation	$2,610,000
Accrued/Deferred Interest	$613,504
Deferred Costs	$4,547,221
Deferred Developer Fee	$300,000
GP Equity	$100
Tax Credit Equity	$2,132,082

Permanent Financing

Source	Amount
CCRC- Tax Exempt	$17,198,000
County of Santa Clara Measure A	$16,654,646
City of San Jose	$10,971,000
AHP	$1,060,000
MidPen / Sobrato Foundation	$2,610,000
Accrued/Deferred Interest	$613,504
Deferred Developer Fee	$300,000
GP Equity	$100
Tax Credit Equity	$22,535,819
TOTAL	**$71,943,069**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$62,429,165
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$81,157,914
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$2,629,516
Total Maximum Annual Federal Credit:	$2,629,516
Approved Developer Fee in Project Cost:	$2,800,000
Approved Developer Fee in Eligible Basis:	$2,751,120
Investor/Consultant:	National Equity Fund
Federal Tax Credit Factor:	$0.85703

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$62,429,165
Actual Eligible Basis:	$62,429,165
Unadjusted Threshold Basis Limit:	$34,789,566
Total Adjusted Threshold Basis Limit:	$80,995,519

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

Parking Beneath Residential Units or On-Site Parking Structure of Two or More Levels

100% of the Low Income Units for Special Needs Population

Local Development Impact Fees

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 90%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions
The reservation of tax credits is contingent upon verification by HUD of the contract amounts within 180 days of the date of reservation.

Development costs are roughly $653,215 per unit. The applicant noted factors impacting costs are its location in the Bay Area, the requirement to state and federal prevailing wages, and significant off-site costs that are required by the City of San Jose as a condition of approval. In addition, the project will be designed to house chronically homeless individuals which includes larger common area spaces to meet the needs of the residents.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Yosemite Folsom Dore, located at 480 Eddy Street and 75 Dore Street in San Francisco, requested and is being recommended for a reservation of $2,595,163 in annual federal tax credits to finance the acquisition and rehabilitation of 129 units of housing serving tenants with rents affordable to households earning 20-60% of area median income (AMI). The project will be developed by Tenderloin Neighborhood Development Corporation and is located in Senate District 11 and Assembly District 17.

Yosemite Folsom/Dore is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Folsom Dore Apartments (CA-2002-884). See **Resyndication and Resyndication Transfer Event** below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract, and HUD Shelter Plus Care. The project financing includes state funding from the MHP program of HCD.

Project Number	CA-20-699	
Project Name	Yosemite Folsom Dore	
Site Address:	Yosemite 480 Eddy Street San Francisco, CA 94109	Folsom/Dore Apartments 75 Dore Street San Francisco, CA 94103
Census Tract:	124.01	178.02
County:	San Francisco	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,595,163	$0
Recommended:	$2,595,163	$0

Applicant Information

Applicant:	Yosemite Folsom Dore, L.P.
Contact:	Donald S. Falk
Address:	201 Eddy Street San Francisco, CA 94102
Phone:	(415) 358-3923
Email:	dfalk@tndc.org

General Partner(s) or Principal Owner(s):	Yosemite Folsom Dore GP LLC
General Partner Type:	Nonprofit
Developer:	Tenderloin Neighborhood Development Corporation
Investor/Consultant:	California Housing Partnership Corporation
Management Agent:	Tenderloin Neighborhood Development Corporation

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	2
Total # of Units:	130
No. / % of Low Income Units:	129 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt / HUD Project-based Contract (32 Units / 24%) / HUD Shelter Plus Care (22 Units - 17%)

Bond Information

Issuer:	The City and County of San Francisco
Expected Date of Issuance:	April 15, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	San Francisco County
TCAC Project Analyst:	Franklin Cui

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	47	36%
50% AMI:	8	6%
60% AMI:	73	57%
80% AMI:	1	1%

Unit Mix

64	SRO/Studio Units
58	1-Bedroom Units
8	2-Bedroom Units
130	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
8	SRO/Studio	50%	7%	$218
19	SRO/Studio	60%	29%	$896
1	1 Bedroom	60%	28%	$920
2	SRO/Studio	60%	45%	$1,371
1	SRO/Studio	80%	33%	$1,000
7	SRO/Studio	20%	9%	$264
13	1 Bedroom	20%	9%	$303
12	SRO/Studio	20%	8%	$232
9	1 Bedroom	20%	10%	$328
2	1 Bedroom	20%	20%	$652
4	2 Bedrooms	20%	16%	$635
10	SRO/Studio	60%	11%	$328
10	1 Bedroom	60%	9%	$293
4	2 Bedrooms	60%	19%	$748
1	SRO/Studio	60%	8%	$232
2	SRO/Studio	60%	36%	$1,109
14	1 Bedroom	60%	37%	$1,214
1	SRO/Studio	60%	35%	$1,065
9	1 Bedroom	60%	47%	$1,519
1	SRO/Studio	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$34,534,004
Construction Costs	$0
Rehabilitation Costs	$21,396,428
Construction Hard Cost Contingency	$3,210,261
Soft Cost Contingency	$638,946
Relocation	$2,569,865
Architectural/Engineering	$1,698,771
Const. Interest, Perm. Financing	$2,979,465
Legal Fees	$114,953
Reserves	$758,408
Other Costs	$1,347,506
Developer Fee	$8,835,924
Commercial Costs	$117,043
Total	**$78,201,574**

Residential	
Construction Cost Per Square Foot:	$278
Per Unit Cost:	$600,570
True Cash Per Unit Cost*:	$446,966

Construction Financing	
Source	Amount
JP Morgan Chase- Tax Exempt	$41,612,363
Seller Carryback	$5,100,882
HCD - MHP (Assumed)	$7,072,373
MOHCD[1] 1 (Assumed)	$1,573,882
MOHCD[1] 2 (Assumed)	$252,182
MOHCD[1] 3 (Assumed)	$8,435,636
MOHCD - Yos OFT Proceeds	$1,800,000
Withdraw from Project Reserves	$914,468
Tax Credit Equity	$2,474,215

Permanent Financing	
Source	Amount
JP Morgan Chase - Tax-Exempt	$9,544,000
Seller Carryback (Yosemite)	$5,100,882
Seller Carryback (Folsom Dore)	$8,864,315
HCD - MHP (Assumed)	$7,072,373
MOHCD[1] 1 (Assumed)	$1,573,882
MOHCD[1] 2 (Assumed)	$252,182
MOHCD[1] 3 (Assumed)	$8,435,636
MOHCD - Yos OFT Proceeds	$1,800,000
Sponsor Gap Loan	$1,391,531
Withdraw from Project Reserves	$914,468
Income from Operations	$404,227
Historic Tax Credit Equity	$3,169,034
Deferred Developer Fee	$6,035,924
Tax Credit Equity	$23,643,120
TOTAL	**$78,201,574**

[1]Mayors Office of Housing and Community Development
*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$32,592,958
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$37,726,805
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$42,370,845
Qualified Basis (Acquisition):	$37,726,805
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$1,372,815
Maximum Annual Federal Credit, Acquisition:	$1,222,348
Total Maximum Annual Federal Credit:	$2,595,163
Approved Developer Fee in Project Cost:	$8,835,924
Approved Developer Fee in Eligible Basis:	$8,825,478
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	$0.91105

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$70,319,763
Actual Eligible Basis:	$70,319,763
Unadjusted Threshold Basis Limit:	$62,565,630
Total Adjusted Threshold Basis Limit:	$134,858,288

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages
Seismic Upgrading
95% of Upper Floor Units are Elevator-Serviced
55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 6%
55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 72%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

This project involves the substantial rehabilitation of 2 scattered-sites, Yosemite, originally constructed in 1924 in the city of San Francisco, and Folsom Dore, constructed in 2005 in the city of San Francisco.

Resyndication and Resyndication Transfer Event

Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-2002-884). 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-02-884) is a qualified low-income household for the subsequent allocation (existing household eligibility is "grandfathered").

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on TCAC staff's review of the commitment in the application. The services documented in the placed in service package will be reviewed by TCAC staff for compliance with this requirement at the time of the placed in service submission.

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from the requirements under TCAC Regulation Section 10320(b)(4)(B).

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Portola Senior, located at Southeast Corner of Glenn Road & Saddleback Ranch Road, in Lake Forest, requested and is being recommended for a reservation of $842,211 in annual federal tax credits to finance the new construction of 57 units of housing serving tenants with rents affordable to households earning 50%-60% of area median income (AMI). The project will be developed by Community HousingWorks and will be located in Senate District 37 and Assembly District 68.

Project Number CA-20-701

Project Name Portola Senior

Site Address: Southeast Corner of Glenn Road & Saddleback Ranch Road
Lake Forest, CA 92679 County: Orange

Census Tract: 1524.28

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$842,211	$0
Recommended:	$842,211	$0

Applicant Information

Applicant:	Portola Senior Housing Associates, LP
Contact:	Mary Jane Jagodzinski
Address:	3111 Camino del Rio North, #800 San Diego, CA 92108
Phone:	619-450-8710
Email:	mjjag@chworks.org

General Partner(s) or Principal Owner(s):	Lake Forest Housing Opportunities, LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Community HousingWorks
Developer:	Community HousingWorks
Investor/Consultant:	California Housing Partnership Corporation
Management Agent:	ConAm Property Management

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	58
No. / % of Low Income Units:	57 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt

Bond Information

Issuer:	CMFA
Expected Date of Issuance:	December 1, 2020

Information

Housing Type:	Non-Targeted
Geographic Area:	Orange County
TCAC Project Analyst:	Jonghyun(Tommy), Shim

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	17	30%
60% AMI:	40	70%

Unit Mix

58 1-Bedroom Units

58 Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
40	1 Bedroom	60%	50%	$1,201
17	1 Bedroom	50%	50%	$1,201
1	1 Bedroom	Manager's Unit	Manager's Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$2,525,161
Construction Costs	$10,189,001
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$1,358,420
Soft Cost Contingency	$316,583
Relocation	$0
Architectural/Engineering	$880,509
Const. Interest, Perm. Financing	$1,817,174
Legal Fees	$60,000
Reserves	$194,868
Other Costs	$1,835,059
Developer Fee	$2,410,233
Commercial Costs	$4,267,409
Total	**$25,854,417**

Residential	
Construction Cost Per Square Foot:	$230
Per Unit Cost:	$367,564
True Cash Per Unit Cost*:	$347,514

Construction Financing

Source	Amount
US Bank - Tax Exempt	$13,004,539
US Bank - Taxable	$3,512,200
Master Developer Gap Loan	$6,344,004
Accrued Interest	$174,125
General Partner Contribution	$100
Deferred Costs	$856,147
Deferred Developer Fee	$1,410,233
Limited Partner Equity	$553,069

Permanent Financing

Source	Amount
US Bank - Taxable	$5,637,000
Master Developer Gap Loan	$6,344,004
Master Developer - Commercial	$4,535,700
Accrued Interest	$174,125
General Partner Contribution	$100
Deferred Developer Fee	$1,410,233
Tax Credit Equity	$7,753,255
TOTAL	**$25,854,417**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$19,995,520
130% High Cost Adjustment:	Yes
Requested Eligible Basis:	$0
Applicable Fraction:	100.00%
Qualified Basis:	$25,994,176
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$842,211
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,410,233
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	$0.92058

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$19,995,520
Actual Eligible Basis:	$19,995,520
Unadjusted Threshold Basis Limit:	$17,463,394
Total Adjusted Threshold Basis Limit:	$24,274,117

Adjustments to Basis Limit

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 29%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions: 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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Las Coronas, located at 205 South Vicentia Avenue and 1148 D Street in Corona, requested and is being recommended for a reservation of $2,047,174 in annual federal tax credits to finance the acquisition and rehabilitation of 229 units of housing serving tenants with rents affordable to households earning 40-80% of area median income (AMI). The project will be developed by National Community Renaissance of California and is located in Senate District 31 and Assembly District 60.

Las Coronas is a scattered site project where one site is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Corona de Oro (CA-00-005). See **Resyndication and Resyndication Transfer Event** below for additional information.

Project Number	CA-20-702	
Project Name	Las Coronas	
Site Address:	Corona De Oro 205 South Vicentia Avenue Corona, CA 92882	Corona Del Rey 1148 D Street Corona, CA 92882
Census Tract:	417.03	417.04
County:	Riverside	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,047,174	$0
Recommended:	$2,047,174	$0

Applicant Information

Applicant:	Las Coronas Apartments, L.P.
Contact:	Michael Finn
Address:	9421 Haven Ave. Rancho Cucamonga, CA 91730
Phone:	909-483-2444
Email:	mfinn@nationalcore.org

General Partner(s) or Principal Owner(s):	Las Coronas GP LLC
General Partner Type:	Nonprofit
Parent Company(ies):	National Community Renaissance of California
Developer:	National Community Renaissance of California
Investor/Consultant:	Bank of America
Management Agent:	National Community Renissance of California

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	58
Total # of Units:	232
No. / % of Low Income Units:	229 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt

Bond Information

Issuer:	California Municipal Finance Authority
Expected Date of Issuance:	February 1, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	Inland Empire
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
40% AMI:	35	15%
50% AMI:	66	29%
60% AMI:	60	26%
80% AMI:	68	30%

Unit Mix

210	2-Bedroom Units
22	3-Bedroom Units
232	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
18	2 Bedrooms	40%	40%	$678
31	2 Bedrooms	50%	50%	$847
17	3 Bedrooms	40%	40%	$783
5	3 Bedrooms	50%	50%	$979
11	2 Bedrooms	50%	50%	$847
5	2 Bedrooms	50%	50%	$847
14	2 Bedrooms	50%	50%	$847
60	2 Bedrooms	60%	60%	$1,017
68	2 Bedrooms	80%	80%	$1,355
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0
2	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application

Land and Acquisition	$23,665,000
Construction Costs	$0
Rehabilitation Costs	$21,109,157
Construction Hard Cost Contingency	$1,326,901
Soft Cost Contingency	$100,000
Relocation	$0
Architectural/Engineering	$800,000
Const. Interest, Perm. Financing	$1,870,400
Legal Fees	$250,000
Reserves	$585,869
Other Costs	$1,818,720
Developer Fee	$7,109,184
Commercial Costs	$0
Total	**$58,635,231**

Residential

Construction Cost Per Square Foot:	$82
Per Unit Cost:	$252,738
True Cash Per Unit Cost*:	$208,461

Construction Financing

Source	Amount
Bank of America Tax-Exempt Loan	$18,260,000
Bank of America Taxable Loan	$13,740,000
Seller Carryback Loan	$9,900,798
City of Corona Assumed Loans	$8,894,934
Reserves	$1,556,531
Deferred Costs	$167,554
GP Equity	$4,109,184
Tax Credit Equity	$2,006,231

Permanent Financing

Source	Amount
CCRC	$13,740,000
Seller Carryback Loan	$9,900,798
City of Corona Assumed Loans	$8,894,934
Reserves	$1,556,531
Deferred Developer Fee	$371,478
GP Equity	$4,109,184
Tax Credit Equity	$20,062,306
TOTAL	**$58,635,231**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$28,956,496
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$25,547,250
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$37,643,445
Qualified Basis (Acquisition):	$25,547,250
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$1,219,443
Maximum Annual Federal Credit, Acquisition:	$827,731
Total Maximum Annual Federal Credit:	$2,047,174
Approved Developer Fee (in Project Cost & Eligible Basis):	$7,109,184
Investor/Consultant:	Bank of America
Federal Tax Credit Factor:	$0.98000

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$54,503,746
Actual Eligible Basis:	$54,503,746
Unadjusted Threshold Basis Limit:	$86,499,712
Total Adjusted Threshold Basis Limit:	$124,559,585

Adjustments to Basis Limit

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 44%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

This project involves the substantial rehabilitation of two scattered site projects in the City of Corona that were originally constructed in 1966 and 1974. One of the two scattered site projects is a current tax credit project (CA-2000-005).

The project plan includes the permanent relocation of 10 current tenant households that have been determined to be no longer income qualified according to 2020 TCAC income limits. These 10 households will be offered relocation benefits as described in the project's Relocation Plan.

The applicant has requested and been granted a waiver to reduce the 10% mobility feature requirement under TCAC Regulation Section 10325(f)(7)(K) down to 5%.

Resyndication and Resyndication Transfer Event

Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-00-005). 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 at the Corona de Oro (CA-00-005) site 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 at Corona de Oro determined to be income qualified at the time of move-in under the existing regulatory agreement (CA-00-005) is a qualified low-income household for the subsequent allocation (existing household eligibility is "grandfathered").

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on TCAC staff's review of the commitment in the application. The services documented in the placed-in-service package will be reviewed by TCAC staff for compliance with this requirement at the time of the placed-in-service submission.

The project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity for CA-00-005, and thus is waived from the requirements under TCAC Regulation Section 10320(b)(4)(B).

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Baywood Apartments, located at 225 41st Street in Oakland, requested and is being recommended for a reservation of $1,790,632 in annual federal tax credits to finance the acquisition and rehabilitation of 76 units of housing serving seniors with rents affordable to households earning 50% of area median income (AMI). The project will be developed by Community Preservation Partners LLC and is located in Senate District 9 and Assembly District 15.

Baywood Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Baywood Apartments (CA-03-873). See Resyndication and Resyndication Transfer Event below for additional information.

Project Number	CA-20-707	
Project Name	Baywood Apartments	
Site Address:	225 41st Street	
	Oakland, CA 94611	County: Alameda
Census Tract:	4041.02	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,790,632	$0
Recommended:	$1,790,632	$0

Applicant Information

Applicant:	Baywood Community Partners, LP
Contact:	Anand Kannan
Address:	17782 Sky Park Circle Irvine, CA 92614
Phone:	949.236.8278
Email:	akannan@cpp-housing.com

General Partner(s) or Principal Owner(s):	FFAH II Baywood LLC CPP Baywood Partners GP, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	WNC Development Partners LLC Foundation For Affordable Housing V, Inc.
Developer:	Community Preservation Partners LLC
Investor/Consultant:	WNC & Associates, Inc.
Management Agent:	FPI Management Inc.

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	1
Total # of Units:	77
No. / % of Low Income Units:	76 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project Based Contract (77 units - 100%)

Bond Information

Issuer:	California Housing Finance Agency
Expected Date of Issuance:	January 29, 2021

Information

Housing Type:	Seniors
Geographic Area:	East Bay Region
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	76	100%

Unit Mix

5	SRO/Studio Units
72	1-Bedroom Units
77	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
5	SRO/Studio	50%	50%	$1,142
66	1 Bedroom	50%	50%	$1,223
5	1 Bedroom	50%	50%	$1,223
1	1 Bedroom	Manager's Unit	Manager's Unit	$2,450

Project Cost Summary at Application	
Land and Acquisition	$40,860,000
Construction Costs	$0
Rehabilitation Costs	$5,369,721
Construction Hard Cost Contingency	$420,190
Soft Cost Contingency	$0
Relocation	$77,000
Architectural/Engineering	$131,700
Const. Interest, Perm. Financing	$3,536,008
Legal Fees	$100,000
Reserves	$519,000
Other Costs	$206,892
Developer Fee	$6,576,238
Commercial Costs	$0
Total	**$57,796,749**

Residential	
Construction Cost Per Square Foot:	$109
Per Unit Cost:	$750,607
True Cash Per Unit Cost*:	$697,623.96

Construction Financing

Source	Amount
Citibank Tax-Exempt Loan	$29,000,000
Citibank Taxable Loan	$10,500,000
NOI and Reserves	$3,106,103
Deferred Developer Fee	$5,718,578
Tax Credit Equity	$9,472,068

Permanent Financing

Source	Amount
Citibank Tax-Exempt Loan	$23,444,000
Citibank Taxable Loan	$10,335,000
NOI and Reserves	$3,106,103
Deferred Developer Fee	$4,079,704
Tax Credit Equity	$16,831,942
TOTAL	**$57,796,749**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$9,542,299
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$45,746,822
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$12,404,989
Qualified Basis (Acquisition):	$45,746,822
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$308,435
Maximum Annual Federal Credit, Acquisition:	$1,482,197
Total Maximum Annual Federal Credit:	$1,790,632
Approved Developer Fee (in Project Cost & Eligible Basis):	$6,576,238
Investor/Consultant:	WNC & Associates, Inc.
Federal Tax Credit Factor:	$0.94000

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$55,289,121
Actual Eligible Basis:	$55,289,121
Unadjusted Threshold Basis Limit:	$31,135,236
Total Adjusted Threshold Basis Limit:	$65,383,996

Adjustments to Basis Limit

95% of Upper Floor Units are Elevator-Serviced.

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 100%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

Development cost is over $697,000 per unit. Factors contributing to this include the project's acquisition cost of nearly $41,000,000 and related finance costs and reserve requirements.

Resyndication and Resyndication Transfer Event

Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-03-873). 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-03-873) is a qualified low-income household for the subsequent allocation (existing household eligibility is "grandfathered").

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on TCAC staff's review of the commitment in the application. The services documented in the placed in service package will be reviewed by TCAC staff for compliance with this requirement at the time of the placed-in-service submission.

The project is a resyndicating concurrently with a Transfer Event with distribution of Net Project Equity. The rehabilitation scope of work shall include all of the Short Term Work in the amount of $425,000. In consideration of the Short Term Work requirement, the seller of the project will give a credit in the amount of at least $390,000. As a result of the seller credit, the project is allowed to receive eligible basis for $390,000 of the Short Term Work amount. The remaining Short Term Work amount of $35,000 is excluded from eligible basis.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Thatcher Yard Housing, located at 3233 S Thatcher Ave. in Marina del Rey, requested and is being recommended for a reservation of $2,382,344 in annual federal tax credit to finance the new construction of 97 units of housing serving tenants with rents affordable to households earning 30-80% of area median income (AMI). The project will be developed by Thomas Safran & Associates and will be located in Senate District 26 and Assembly District 62.

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 AHSC program of HCD.

Project Number	CA-20-708		
Project Name	Thatcher Yard Housing		
Site Address:	3233 S Thatcher Ave		
	Marina del Rey, CA 90292	County:	Los Angeles
Census Tract:	2741.00		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,382,344	$0
Recommended:	$2,382,344	$0

Applicant Information

Applicant:	Thatcher Yard Housing, LP
Contact:	Blake Coddington
Address:	11811 San Vicente Blvd Los Angeles, CA 90049
Phone:	310-820-2236
Email:	blake@tsahousing.com

General Partner(s) or Principal Owner(s):	Thatcher Yard Housing, LLC Housing Corporation of America
General Partner Type:	Joint Venture
Parent Company(ies):	Thomas Safran & Associates Housing Corporation of America
Developer:	Thomas Safran & Associates
Investor/Consultant:	R4 Capital
Management Agent:	Thomas Safran & Associates

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	8
Total # of Units:	98
No. / % of Low Income Units:	97 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt / HUD Project Based Vouchers (39 Units - 40%)
Utility Allowance:	CUAC

Bond Information

Issuer:	City of LA
Expected Date of Issuance:	June 1, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	City of Los Angeles
TCAC Project Analyst:	Franklin Cui

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	49	51%
50% AMI:	29	30%
80% AMI:	19	20%

Unit Mix

51	SRO/Studio Units
26	1-Bedroom Units
12	2-Bedroom Units
9	3-Bedroom Units
98	Total Units

	Unit Type & Number	2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
32	SRO/Studio	30%	30%	$591
2	2 Bedrooms	30%	30%	$760
5	1 Bedroom	30%	30%	$633
6	2 Bedrooms	30%	30%	$760
4	3 Bedrooms	30%	30%	$878
19	SRO/Studio	50%	50%	$986
4	1 Bedroom	50%	50%	$1,056
10	1 Bedroom	80%	80%	$1,690
3	1 Bedroom	50%	50%	$1,056
4	1 Bedroom	80%	80%	$1,690
1	2 Bedrooms	50%	50%	$1,267
3	2 Bedrooms	80%	80%	$2,028
2	3 Bedrooms	50%	50%	$1,464
2	3 Bedrooms	80%	80%	$2,343
1	3 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$1,110,719
Construction Costs	$38,900,191
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$2,798,738
Soft Cost Contingency	$386,674
Relocation	$0
Architectural/Engineering	$2,482,273
Const. Interest, Perm. Financing	$3,643,748
Legal Fees	$291,182
Reserves	$520,440
Other Costs	$1,835,148
Developer Fee	$6,700,000
Commercial Costs	$0
Total	**$58,669,113**

Residential

Construction Cost Per Square Foot:	$599
Per Unit Cost:	$598,664
True Cash Per Unit Cost*:	$585,624

Construction Financing

Source	Amount
Wells Fargo Tax-Exempt Bonds	$30,000,000
Wells Fargo Taxable Loan	$2,600,000
HCIDLA HHH Loan	$11,060,000
Deferred Fees and Costs	$6,820,440
Tax Credit Equity	$8,188,673

Permanent Financing

Source	Amount
CCRC Perm Loan	$10,750,000
HCD AHSC Loan	$9,000,000
HCID LA HHH Loan	$11,660,000
Deferred Developer Fee	$1,277,922
GP Contributed Developer Fee	$4,200,000
Tax Credit Equity	$21,781,191
TOTAL	**$58,669,113**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$56,560,875
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$73,529,138
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$2,382,344
Approved Developer Fee (in Project Cost & Eligible Basis):	$6,700,000
Investor/Consultant:	R4 Capital
Federal Tax Credit Factor:	$0.91428

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$56,560,875
Actual Eligible Basis:	$56,560,875
Unadjusted Threshold Basis Limit:	$33,351,144
Total Adjusted Threshold Basis Limit:	$85,378,929

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

Parking Beneath Residential Units or On-Site Parking Structure of Two or More Levels

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 29%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 100%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions:

Development costs are roughly $598,664 per unit. The factors affecting this cost include payment of prevailing wages, mitigation of methane zone construction, high groundwater & mat foundation (which includes potential de-watering during construction and redesign of the foundations from a footing / slab to a mat slab), environmental remediation, and utility undergrounding and/or relocation of power poles that interfere with electrical systems.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

4840 Mission Street, located at 4840 Mission Street in San Francisco, requested and is being recommended for a reservation of $3,958,951 in annual federal tax credits to finance the new construction of 135 units of housing serving tenants with rents affordable to households earning 30-80% of area median income (AMI). The project will be developed by Bridge Housing and will be located in Senate District 11 and Assembly

4840 Mission Street will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number	CA-20-709		
Project Name	4840 Mission Street		
Site Address:	4840 Mission Street		
	San Francisco, CA 94112	County:	San Francisco
Census Tract:	261.00		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$3,985,951	$0
Recommended:	$3,985,951	$0

Applicant Information

Applicant:	4840 Mission Housing Associates LP
Contact:	Sarah White
Address:	600 California Street, #900
	San Francisco, CA 94108
Phone:	415.321.4074
Email:	Swhite@bridgehousing.com

General Partner(s) or Principal Owner(s):	4840 Mission Housing LLC
General Partner Type:	Nonprofit
Parent Company(ies):	BRIDGE Housing
Developer:	BRIDGE Housing
Investor/Consultant:	California Housing Partnership
Management Agent:	BRIDGE Property Management

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	137
No. / % of Low Income Units:	135 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (35 units - 25%)

Bond Information

Issuer:	City and County of San Francisco
Expected Date of Issuance:	March 15, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	San Francisco County
TCAC Project Analyst:	Brett Andersen

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	14	10%
40% AMI:	22	16%
50% AMI:	67	50%
70% AMI:	21	16%
80% AMI:	11	8%

Unit Mix

58	1-Bedroom Units
63	2-Bedroom Units
16	3-Bedroom Units
137	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
6	1 Bedroom	30%	24%	$769
6	2 Bedrooms	30%	22%	$865
2	3 Bedrooms	30%	21%	$961
11	1 Bedroom	40%	31%	$1,025
9	2 Bedrooms	40%	29%	$1,153
2	3 Bedrooms	40%	28%	$1,281
16	1 Bedroom	50%	39%	$1,281
10	2 Bedrooms	50%	37%	$1,441
1	3 Bedrooms	50%	35%	$1,601
11	2 Bedrooms	50%	37%	$1,441
2	1 Bedroom	50%	50%	$1,631
2	2 Bedrooms	50%	48%	$1,874
1	3 Bedrooms	50%	46%	$2,081
9	1 Bedroom	50%	50%	$1,631
9	2 Bedrooms	50%	48%	$1,874
6	3 Bedrooms	50%	46%	$2,081
14	1 Bedroom	70%	70%	$2,283
7	2 Bedrooms	70%	70%	$2,740
7	2 Bedrooms	80%	80%	$3,132
4	3 Bedrooms	80%	80%	$3,620
2	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$0
Construction Costs	$75,584,157
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$3,774,871
Soft Cost Contingency	$947,259
Relocation	$0
Architectural/Engineering	$3,316,359
Const. Interest, Perm. Financing	$6,222,849
Legal Fees	$371,632
Reserves	$731,969
Other Costs	$2,989,407
Developer Fee	$4,990,618
Commercial Costs	$1,063,219
Total	**$99,992,340**

Residential

Construction Cost Per Square Foot:	$570
Per Unit Cost:	$719,921
True Cash Per Unit Cost*:	$704,653

Construction Financing

Source	Amount
Bank of America - Tax-Exempt	$51,340,687
Bank of America	$6,472,827
SF Mayor's Office	$33,625,775
Costs Deferred Until Conversion	$2,955,638
Deferred Developer Fee	$2,120,618
Tax Credit Equity	$3,476,795

Permanent Financing

Source	Amount
Bank of America - Tax-Exempt	$27,687,000
SF Mayor's Office	$33,625,775
Deferred Developer Fee	$2,120,618
Tax Credit Equity	$36,558,947
TOTAL	**$99,992,340**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$94,633,212
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$123,023,176
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$3,985,951
Approved Developer Fee in Project Cost:	$4,990,618
Approved Developer Fee in Eligible Basis:	$4,690,618
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	$0.91720

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$94,633,212
Actual Eligible Basis:	$94,633,212
Unadjusted Threshold Basis Limit:	$80,621,182
Total Adjusted Threshold Basis Limit:	$173,335,541

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 65%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 20%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will

Significant Information / Additional Conditions: 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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Throughline Apartments, located at 777 Broadway, 1204 Mason Street and 1525-1529 Grant Avenue in San Francisco, requested and is being recommended for a reservation of $1,804,173 in annual federal tax credits to finance the acquisition and rehabilitation of 85 units of housing with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Chinatown Community Development Center and is located in Senate District 11 and Assembly District 17.

The project will be receiving rental assistance in the form of a HUD Section 8 Project-based contract. The project financing includes state funding from HCD's CHRP program.

Project Number	CA-20-710		
Project Name	Throughline Apartments		
Site Addresses:	<u>Bayside</u> 777 Broadway San Francisco, 94133	<u>Consorcia</u> 1204 Mason Street San Francisco, 94108	<u>Tower Hotel</u> 1525-1529 Grant Avenue San Francisco, 94133
Census Tracts:	160031	191016	103004
County:	San Francisco		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,804,173	$0
Recommended:	$1,804,173	$0

Applicant Information

Applicant:	Throughline, L.P.
Contact:	Bo Han
Address:	1525 Grant Avenue San Francisco, CA 94133
Phone:	415-935-3135
Email:	bo.han@chinatowncdc.org

General Partner(s) or Principal Owner(s):	CCDC Throughline LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Chinatown Community Development Center
Developer:	Chinatown Community Development Center
Investor/Consultant:	California Housing Partnership Corporation
Management Agent:	Chinatown Community Development Center

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Building	3
Total # of Units:	88
No. / % of Low Income Uni	85 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project Based Contract (30 units - 35%) / CDBG

Bond Information

Issuer:	City and County of San Francisco
Expected Date of Issuance:	March 1, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	San Francisco County
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	30	35%
35% AMI:	32	38%
60% AMI:	23	27%

Unit Mix

81 SRO/Studio Units
7 1-Bedroom Units
88 Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
Bayside				
30	SRO/Studio	30%	30%	$913
1	1 Bedroom	Manager's Unit	Manager's Unit	$0
Consorcia				
17	SRO/Studio	60%	16%	$479
6	1 Bedroom	60%	19%	$624
1	SRO/Studio	Manager's Unit	Manager's Unit	$0
Tower Hotel				
32	SRO/Studio	35%	15%	$459
1	SRO/Studio	Manager's Unit	Manager's Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$15,638,760
Construction Costs	$0
Rehabilitation Costs	$19,418,393
Construction Hard Cost Contingency	$1,941,839
Soft Cost Contingency	$415,000
Relocation	$1,285,000
Architectural/Engineering	$1,008,587
Const. Interest, Perm. Financing	$2,915,635
Legal Fees	$39,728
Reserves	$704,719
Other Costs	$3,384,818
Developer Fee	$5,582,932
Commercial Costs	$4,185,765
Total	**$56,521,176**

Residential	
Construction Cost Per Square Foot:	$503
Per Unit Cost:	$594,289
True Cash Per Unit Cost*:	$433,713

Construction Financing

Source	Amount
JPMorgan Chase Bank	$28,992,043
Seller Carryback Loan	$9,859,925
CHRP and CDBG Loans	$2,567,992
City Acquisition Loan	$3,444,864
NOI	$201,396
Sponsor Loan	$309,523
Reserves	$2,148,196
Deferred Interest	$519,388
Deferred Costs	$2,744,488
Deferred Developer Fee	$1,226,216
GP Equity	$2,156,716
Tax Credit Equity	$2,350,429

Permanent Financing

Source	Amount
City PASS Residential Loan	$4,451,790
City PASS Commercial Loan	$2,456,160
Seller Carryback Loan	$9,859,925
CHRP and CDBG Loans	$2,567,992
City Acquisition Loan	$3,444,864
MOHCD Gap Loan	$6,842,435
PASS Deferred Loan	$402,050
Reserves and NOI	$2,349,592
Sponsor Loan	$3,809,523
Accrued Deferred Interest	$519,388
Deferred Developer Fee	$1,226,216
GP Equity	$2,156,716
Tax Credit Equity	$16,434,525
TOTAL	**$56,521,176**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$29,281,135
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$17,618,887
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$38,065,476
Qualified Basis (Acquisition):	$17,618,887
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$1,233,321
Maximum Annual Federal Credit, Acquisition:	$570,852
Total Maximum Annual Federal Credit:	$1,804,173
Approved Developer Fee in Project Cost:	$5,582,932
Approved Developer Fee in Eligible Basis:	$5,544,968
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	$0.91092

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$46,900,022
Actual Eligible Basis:	$46,900,022
Unadjusted Threshold Basis Limit:	$39,244,920
Total Adjusted Threshold Basis Limit:	$95,757,605

Adjustments to Basis Limit

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units a
Income Targeted at 35% AMI or Below: 144%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

This project involves the substantial rehabilitation of three scattered-site buildings, one of which was originally constructed in 1909 (Consorcia Apartments) and another in 1911 (Tower Hotel) in the city of San Francisco.

The applicant has requested and been granted a waiver to reduce the 10% mobility feature requirement under TCAC Regulation Section 10325(f)(7)(K) down to 7%.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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

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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

San Cristina, located at 1000 Market Street in San Francisco, requested and is being recommended for a reservation of $1,848,491 in annual federal tax credits to finance the acquisition and rehabilitation of 58 units of housing with rents affordable to households earning 25-50% of area median income (AMI). The project will be developed by Community Housing Partnership and is located in Senate District 11 and Assembly District 17.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from HCD's CHRP and MHP programs.

Project Number CA-20-711

Project Name San Cristina
Site Address: 1000 Market Street
San Francisco, CA 94102 County: San Francisco
Census Tract: 125.01

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,848,491	$0
Recommended:	$1,848,491	$0

Applicant Information
Applicant: San Cristina, L.P.
Contact: Richard Aubry
Address: 1000 Market Street
San Francisco, CA 94102
Phone: (415) 852-5300
Email: raubry@chp-sf.org

General Partner(s) or Principal Owner(s): CHP San Cristina LLC
General Partner Type: Nonprofit
Parent Company(ies): Community Housing Partnership
Developer: Community Housing Partnership
Investor/Consultant: California Housing Partnership Corporation
Management Agent: Community Housing Partnership

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	1
Total # of Units:	58
No. / % of Low Income Units:	58 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project Based Vouchers (85 units - 100%) / CDBG

Bond Information

Issuer:	City and County of San Francisco
Expected Date of Issuance:	April 1, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	San Francisco County
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	32	55%
50% AMI:	26	45%

Unit Mix

58 SRO/Studio Units

58 Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
32	SRO/Studio	25%	7%	$207
10	SRO/Studio	50%	7%	$207
16	SRO/Studio	50%	7%	$207

Project Cost Summary at Application	
Land and Acquisition	$17,235,594
Construction Costs	$0
Rehabilitation Costs	$15,806,196
Construction Hard Cost Contingency	$4,299,367
Soft Cost Contingency	$370,058
Relocation	$1,385,640
Architectural/Engineering	$1,422,130
Const. Interest, Perm. Financing	$3,267,748
Legal Fees	$236,268
Reserves	$2,181,025
Other Costs	$1,579,140
Developer Fee	$5,731,119
Commercial Costs	$3,400,000
Total	**$56,914,285**

Residential	
Construction Cost Per Square Foot:	$483
Per Unit Cost:	$922,660
True Cash Per Unit Cost*:	$710,771

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
JPMorgan Chase Bank	$28,863,803	MOHCD PASS Loan	$3,866,667
Seller Carryback Loan	$12,570,375	MOHCD PASS Loan	$2,133,333
HCD LPR CHRP Loan	$3,047,001	MOHCD PASS Loan	$350,000
MOHCD[1] Loan	$450,000	MOHCD Loan	$450,000
MOHCD CDBG	$2,116,506	MOHCD CDBG	$2,116,506
Reserves	$279,885	Seller Carryback Loan	$12,570,375
Deferred Developer Fees	$500,000	AHP	$750,000
Accrued Interest	$421,351	HCD LPR CHRP Loan	$3,047,001
Deferred Costs	$3,607,735	HCD MHP-SH Loan	$8,143,953
GP Capital Contribution	$3,431,119	Sponsor Loan	$2,000,000
Tax Credit Equity	$1,626,510	NOI/Accrued Interest	$1,010,351
		Reserves	$279,885
		Deferred Developer Fees	$500,000
		GP Capital Contribution	$3,431,119
		Tax Credit Equity	$16,265,095
		TOTAL	**$56,914,285**

[1] San Francisco Mayor's Office of Housing and Community Development

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$29,561,134
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$18,622,720
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$38,429,474
Qualified Basis (Acquisition):	$18,622,720
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$1,245,115
Maximum Annual Federal Credit, Acquisition:	$603,376
Total Maximum Annual Federal Credit:	$1,848,491
Approved Developer Fee (in Project Cost & Eligible Basis):	$5,731,119
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	$0.87991

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

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$48,183,854
Actual Eligible Basis:	$48,183,854
Unadjusted Threshold Basis Limit:	$25,554,974
Total Adjusted Threshold Basis Limit:	$67,465,131

Adjustments to Basis Limit

95% of Upper Floor Units are Elevator-Serviced.

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 44%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 110%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

Development cost exceeds $710,000 per unit. A factor driving this is the escalating cost of construction labor and building materials in San Francisco. Other contributing factors include the project's acquisition cost of $20,000,000, design elements needed to satisfy requirements related to the building's historic designation and to satisfy stringent City environmental requirements, and relocation costs to temporarily house tenants in the expensive San Francisco rental market.

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

Per TCAC Regulation Section 10325(f)(7)(J) the project has committed to employ an equivalent number of on-site full-time property management staff and provide an equivalent number of desk or security staff capable of responding to emergencies for the hours when property management staff is not working. All staff or contractors performing desk or security work shall be knowledgeable of how the property's fire system operates and be trained in, and have participated in, fire evacuation drills for tenants. TCAC reserves the right to require that one or more on-site managers' units be provided and occupied by property management staff if, in its sole discretion, it determines as part of any on-site inspection that the project has not been adequately operated and/or maintained.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Northlake Senior Apartments, located at the SE Corner of Hammock Avenue and Littlestone Street in Sacramento, requested and is being recommended for a reservation of $1,409,376 in annual federal tax credits to finance the new construction of 189 units of housing serving seniors with rents affordable to households earning 50-60% of area median income (AMI). The project will be developed by St. Anton Communities, LLC and will be located in Senate District 6 and Assembly District 7.

Project Number CA-20-712

Project Name Northlake Senior Apartments

Site Address: SE Corner of Hammock Avenue and Littlestone Street
Sacramento, CA 95835 County: Sacramento

Census Tract: 71.01

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,487,569	$0
Recommended:	$1,487,569	$0

Applicant Information

Applicant:	Northlake Senior Affordable, LP
Contact:	Ardie Zahedani
Address:	1801 I Street, Suite 200 Sacramento, CA 95811
Phone:	(916) 471-1300
Email:	az@antoncap.com

General Partner(s) or Principal Owner(s):	St. Anton Natomas Senior Affordable, LLC PacH Anton South Holdings, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Blue Bronco, LLC Pacific Housing, Inc.
Developer:	St. Anton Communities, LLC
Investor/Consultant:	RBC Community Investments, LLC
Management Agent:	St. Anton Multifamily, Inc

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	16
Total # of Units:	191
No. / % of Low Income Units:	189 100.00%
Federal Set-Aside Elected:	40%/60%
Utility Allowance:	CUAC

Bond Information

Issuer:	SHRA
Expected Date of Issuance:	January 6, 2021
Credit Enhancement:	N/A

Information

Housing Type:	Seniors
Geographic Area:	Capital Region
TCAC Project Analyst:	Khrystina Martin

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	58	31%
60% AMI:	131	69%

Unit Mix

155	1-Bedroom Units
36	2-Bedroom Units
191	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
47	1 Bedroom	50%	50%	$810
107	1 Bedroom	60%	60%	$972
11	2 Bedrooms	50%	50%	$971
24	2 Bedrooms	60%	60%	$1,165
1	1 Bedroom	Manager’s Unit	Manager’s Unit	$937
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$1,128

Project Cost Summary at Application	
Land and Acquisition	$2,500,000
Construction Costs	$23,416,121
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$1,163,227
Soft Cost Contingency	$181,710
Relocation	$0
Architectural/Engineering	$514,973
Const. Interest, Perm. Financing	$2,426,506
Legal Fees	$185,000
Reserves	$466,461
Other Costs	$3,839,385
Developer Fee	$3,500,000
Commercial Costs	$0
Total	**$38,193,382**

Residential	
Construction Cost Per Square Foot:	$184
Per Unit Cost:	$199,965
True Cash Per Unit Cost*:	$196,417

Construction Financing

Source	Amount
Citibank - Tax Exempt	$21,500,000
Citibank	$9,050,000
General Partner Loan	$2,000,000
Tax Credit Equity	$1,400,000

Permanent Financing

Source	Amount
Citibank Tax-Exempt	$20,500,000
General Partner Loan	$2,000,000
Deferred Interest	$140,000
Deferred Developer Fee	$677,692
Tax Credit Equity	$14,875,690
TOTAL	**$38,193,382**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$35,317,396
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$45,912,615
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$1,487,569
Approved Developer Fee (in Project Cost & Eligible Basis):	$3,500,000
Investor/Consultant:	RBC Community Investments, LLC
Federal Tax Credit Factor:	$1.00000

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$35,317,396
Actual Eligible Basis:	$35,317,396
Unadjusted Threshold Basis Limit:	$59,744,615
Total Adjusted Threshold Basis Limit:	$79,419,028

Adjustments to Basis Limit

Local Development Impact Fees

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 30%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions: 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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Villa Ciolino Apartments, located at 80 Ciolino Avenue in Morgan Hill, requested and is being recommended for a reservation of $782,730 in annual federal tax credits tax credits to finance the acquisition and rehabilitation of 42 units of housing serving large families with rents affordable to households earning 30-50% of area median income (AMI). The project will be developed by Eden Housing, Inc. and is located in Senate District 17 and Assembly District 30.

Villa Ciolino Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Villa Ciolino Apartments (CA-99-096). See **Resyndication and Resyndication Transfer Event** below for additional information.

Project Number CA-20-713

Project Name Villa Ciolino Apartments
Site Address: 80 Ciolino Ave
Morgan Hill, CA 95037 County: Santa Clara
Census Tract: 5123.13

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$782,730	$0
Recommended:	$782,730	$0

Applicant Information
Applicant: Eden Housing, Inc.
Contact: Andre Madeira
Address: 22645 Grand Street
Hayward, CA 94541
Phone: 510-247-8110
Email: amadeira@edenhousing.org

General Partner(s) or Principal Owner(s): Skeels Villa LLC
General Partner Type: Nonprofit
Parent Company(ies): Eden Housing, Inc.
Developer: Eden Housing, Inc.
Investor/Consultant: California Houisng Partnership Corp.
Management Agent: Eden Housing Management

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	7
Total # of Units:	42
No. / % of Low Income Units:	41 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax Exempt / HOME

Bond Information

Issuer:	California Municipal Financy Authority
Expected Date of Issuance:	March 1, 2021

Information

Housing Type:	Large Family
Geographic Area:	South and West Bay Region
TCAC Project Analyst:	Brett Andersen

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	4	10%
35% AMI:	13	32%
40% AMI:	4	10%
50% AMI:	20	49%

Unit Mix

12 1-Bedroom Units
17 2-Bedroom Units
13 3-Bedroom Units
42 Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
1	1 Bedroom	30%	25%	$747
3	3 Bedrooms	30%	26%	$1,061
3	1 Bedroom	35%	26%	$758
9	2 Bedrooms	35%	30%	$1,063
1	3 Bedrooms	35%	28%	$1,150
4	3 Bedrooms	40%	32%	$1,316
8	1 Bedroom	50%	42%	$1,239
7	2 Bedrooms	50%	39%	$1,402
5	3 Bedrooms	50%	44%	$1,819
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$11,009,176
Construction Costs	$0
Rehabilitation Costs	$5,448,625
Construction Hard Cost Contingency	$544,863
Soft Cost Contingency	$193,200
Relocation	$559,000
Architectural/Engineering	$825,000
Const. Interest, Perm. Financing	$742,823
Legal Fees	$170,000
Reserves	$184,843
Other Costs	$613,342
Developer Fee	$2,545,219
Commercial Costs	$0
Total	**$22,836,091**

Residential	
Construction Cost Per Square Foot:	$144
Per Unit Cost:	$543,716
True Cash Per Unit Cost*:	$461,941

Construction Financing

Source	Amount
BBVA TE Construction Loan	$12,170,164
City of Morgan Hill	$4,373,354
Santa Clara County HOME	$672,571
Seller Carryback Loan	$2,037,591
Accrued Deferred Interest	$179,545
Costs Deferred Until Conversion	$1,261,426
Existing Reserves	$127,945
Deferred Developer Fee	$1,396,976
Tax Credit Equity	$616,519

Permanent Financing

Source	Amount
BBVA Permanent Loan	$3,981,000
City of Morgan Hill	$4,373,354
Santa Clara County HOME	$672,571
Sponsor Loan	$2,500,000
Seller Carryback Loan	$2,037,591
Accrued Deferred Interest	$179,545
Income from Operations	$258,920
Existing Reserves	$127,945
Deferred Developer Fee	$1,396,976
Tax Credit Equity	$7,308,189
TOTAL	**$22,836,091**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$9,198,772
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$12,199,923
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$11,958,404
Qualified Basis (Acquisition):	$12,199,923
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$387,452
Maximum Annual Federal Credit, Acquisition:	$395,278
Total Maximum Annual Federal Credit:	$782,730
Approved Developer Fee (in Project Cost & Eligible Basi	$2,545,219
Investor/Consultant:	California Houisng Partnership Corp.
Federal Tax Credit Factor:	$0.93368

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$21,398,695
Actual Eligible Basis:	$21,398,695
Unadjusted Threshold Basis Limit:	$19,387,940
Total Adjusted Threshold Basis Limit:	$46,531,056

Adjustments to Basis Limit

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 58%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 82%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event
Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-99-096). 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

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-99-096) is a qualified low-income household for the subsequent allocation (existing household eligibility is

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on TCAC staff's review of the commitment in the application. The services documented in the placed in service package will be reviewed by TCAC staff for compliance with this requirement at the time of the placed in service submission.

The project is a re-syndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from setting aside a Short Term Work Capitalized Replacement Reserve that is otherwise required.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Pony Express Senior Apartments, located at 220 Aegean Way in Vacaville, requested and is being recommended for a reservation of $1,129,647 in annual federal tax credits to finance the new construction of 59 units of housing serving seniors with rents affordable to households earning 30-40% of area median income (AMI). The project will be developed by Petaluma Ecumenical Properties and will be located in Senate District 3 and Assembly District 11.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from HCD's MHP program.

Project Number	CA-20-716	
Project Name	Pony Express Senior Apartments	
Site Address:	220 Aegean Way	
	Vacaville, CA 95687	County Solano
Census Tract:	2531.05	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,129,647	$0
Recommended:	$1,129,647	$0

Applicant Information

Applicant:	Pony Express Senior Apartments, L.P.
Contact:	Mary Stompe
Address:	625 Acacia Lane
	Santa Rosa, CA 95409
Phone:	707.762.2336
Email:	marys@pephousing.org

General Partner(s) or Principal Owner(s):	PE Vacaville EAH, LLC
	Pony Express Senior Apartments LLC
General Partner Type:	Nonprofit
Parent Company(ies):	EAH, Inc.
	Petaluma Ecumenical Properties and
	Caulfield Lane Senior Housing, Inc.
Developer:	Petaluma Ecumenical Properties
Investor/Consultant:	California Housing Partnership Corporation
Management Agent:	Petaluma Ecumenical Properties

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	2
Total # of Units:	60
No. / % of Low Income Units:	59 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt/HUD Section 8 Project Based Vouchers (59 units-100%)

Bond Information

Issuer:	California Municipal Finance Authority
Expected Date of Issuance:	May 1, 2021

Information

Housing Type:	Seniors
Geographic Area:	Northern Region
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	29	49%
40% AMI:	30	51%

Unit Mix

59 1-Bedroom Units
1 2-Bedroom Units
60 Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
29	1 Bedroom	30%	30%	$520
30	1 Bedroom	40%	40%	$694
1	2 Bedrooms	Manager's Unit	Manager's Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$1,489,636
Construction Costs	$18,808,785
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$948,921
Soft Cost Contingency	$323,732
Relocation	$0
Architectural/Engineering	$1,151,202
Const. Interest, Perm. Financing	$1,527,879
Legal Fees	$130,000
Reserves	$463,338
Other Costs	$1,960,595
Developer Fee	$3,190,012
Commercial Costs	$0
Total	**$29,994,100**

Residential	
Construction Cost Per Square Foot:	$335
Per Unit Cost:	$499,902
True Cash Per Unit Cost*:	$486,323

Construction Financing

Source	Amount
Wells Fargo Tax-Exempt Loan	$16,253,397
Wells Fargo Taxable Loan	$7,339,885
City of Vacaville Acquisition Loan	$1,320,000
City of Vacaville Loan	$500,000
Deferred Costs	$2,402,257
Deferred Developer Fee	$814,691
Tax Credit Equity	$1,363,870

Permanent Financing

Source	Amount
CCRC	$5,929,000
City of Vacaville Acquisition Loan	$1,320,000
City of Vacaville Loan	$500,000
HCD - MHP	$11,339,194
Deferred Developer Fee	$814,691
Tax Credit Equity	$10,091,215
TOTAL	**$29,994,100**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$26,819,731
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$34,865,650
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$1,129,647
Approved Developer Fee (in Project Cost & Eligible Basis):	$3,190,012
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	$0.89331

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$26,819,731
Actual Eligible Basis:	$26,819,731
Unadjusted Threshold Basis Limit:	$20,363,688
Total Adjusted Threshold Basis Limit:	$57,862,793

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages.

Local Development Impact Fees.

95% of Upper Floor Units are Elevator-Serviced.

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 50%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 98%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

This is a senior restricted project comprised of three buildings, two of which contain the residential units. One of the residential buildings will be equipped with an elevator and will be connected to the other residential building with bridge passageways on each of the three floors.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

West San Carlos Residential, located at 750 West San Carlos in San Jose, requested and is being recommended for a reservation of $2,122,593 in annual federal tax credits to finance the new construction of 79 units of housing serving special needs tenants with rents affordable to households earning 25-60% of area median income (AMI). The project will be developed by Danco Communities and will be located in Senate District 19 and Assembly District 19.

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

Project Number	CA-20-719		
Project Name	West San Carlos Residential		
Site Address:	750 West San Carlos		
	San Jose, CA 95020	County:	Santa Clara
Census Tract:	5019.00		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,122,593	$0
Recommended:	$2,122,593	$0

Applicant Information

Applicant:	San Jose W San Carlos, LP
Contact:	Chris Dart
Address:	5251 Ericson Way
	Arcata, CA 95521
Phone:	707-822-9000
Email:	cdart@danco-group.com

General Partner(s) or Principal Owner(s):	Community Revitalization & Development Corporatior
	Johnson & Johnson Investments, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Danco Communities
	Danco Communities
Developer:	Danco Communities
Investor/Consultant:	Raymond James
Management Agent:	Danco Property Management

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	80
No. / % of Low Income Units:	79 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (40 units - 50%)
Utility Allowance:	CUAC

Bond Information

Issuer:	City of San Jose
Expected Date of Issuance:	June 1, 2021

Information

Housing Type:	Special Needs
Geographic Area:	South and West Bay Region
TCAC Project Analyst:	Khrystina Martin

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	40	51%
50% AMI:	20	25%
60% AMI:	19	24%

Unit Mix

57	1-Bedroom Units
23	2-Bedroom Units
80	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
28	1 Bedroom	25%	25%	$740
15	1 Bedroom	50%	50%	$1,481
14	1 Bedroom	60%	60%	$1,777
12	2 Bedrooms	25%	25%	$888
5	2 Bedrooms	50%	50%	$1,777
5	2 Bedrooms	60%	60%	$2,133
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$5,912,500
Construction Costs	$36,282,189
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$1,814,110
Soft Cost Contingency	$337,066
Relocation	$0
Architectural/Engineering	$1,350,000
Const. Interest, Perm. Financing	$2,818,295
Legal Fees	$120,000
Reserves	$464,655
Other Costs	$5,051,800
Developer Fee	$3,828,710
Commercial Costs	$0
Total	**$57,979,325**

Residential	
Construction Cost Per Square Foot:	$467
Per Unit Cost:	$724,742
True Cash Per Unit Cost*:	$708,133

Construction Financing

Source	Amount
Pacific Western Bank	$30,770,000
City of San Jose	$9,875,000
Santa Clara County	$5,912,500
Santa Clara County - Measure A	$3,350,000
Deferred Costs	$4,123,802
Tax Credit Equity	$3,948,023

Permanent Financing

Source	Amount
Pacific Western Bank	$17,773,000
City of San Jose	$9,875,000
Santa Clara County	$5,912,500
Santa Clara County - Measure A	$3,350,000
Deferred Developer Fee	$1,328,710
Tax Credit Equity	$19,740,115
TOTAL	**$57,979,325**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$50,393,943
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$65,512,126
Applicable Rate:	3.24%
Maximum Annual Federal Credit:	$2,122,593
Total Maximum Annual Federal Credit:	$2,122,593
Approved Developer Fee in Project Cost:	$3,828,710
Approved Developer Fee in Eligible Basis:	$3,828,710
Approved Developer Fee (in Project Cost & Eligible Basis):	$3,828,710
Investor/Consultant:	Raymond James
Federal Tax Credit Factor:	$0.93000

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$50,393,943
Actual Eligible Basis:	$50,393,943
Unadjusted Threshold Basis Limit:	$31,248,523
Total Adjusted Threshold Basis Limit:	$81,871,131

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

Parking Beneath Residential Units or On-Site Parking Structure of Two or More Levels

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 25%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 100%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions
Projects with funding and/or subsidy from HUD are required to use utility allowances approved by HUD. The applicant's use of the CUAC is subject to approval by HUD and by TCAC.

The estimated cost of the project is $708,133 per unit. The applicant noted the factors attributing to the per unit cost is higher land, construction, impact fees costs compared to the surrounding region. Additionally, this project is a high density infill project, which also contributes to the cost.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

San Martin de Porres Apartments, located at 9119 Jamacha Rd. in Spring Valley, requested and is being recommended for a reservation of $897,034 in annual federal tax credits to finance the acquisition and rehabilitation of 115 units of housing serving tenants with rents affordable to households earning 35-45% of area median income (AMI). The project will be developed by MAAC and is located in Senate District 40 and Assembly District 71.

San Martin de Porres Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, San Martin de Porres Apartments (CA-98-010) and San Martin de Porres Apartments (CA-99-017). See **Resyndication and Resyndication Transfer Event** below for additional information.

Project Number	CA-20-720		
Project Name	San Martin de Porres Apartments		
Site Address:	9119 Jamacha Rd.		
	Spring Valley, CA 91977	County:	San Diego
Census Tract:	139.09		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$897,034	$0
Recommended:	$897,034	$0

Applicant Information

Applicant:	San Martin 2020 LP
Contact:	Christopher Ramirez
Address:	1355 Third Avenue Chula Vista, CA 91911
Phone:	619-426-3595
Email:	cramirez@maacproject.org

General Partner(s) or Principal Owner(s):	San Martin MGP 2020 LLC
General Partner Type:	Nonprofit
Parent Company(ies):	MAAC
Developer:	MAAC
Investor/Consultant:	Hunt Capital Partners, LLC
Management Agent:	MAAC

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	16
Total # of Units:	116
No. / % of Low Income Units:	115 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt

Bond Information

Issuer:	California Municipal Housing Authority
Expected Date of Issuance:	December 9, 2020

Information

Housing Type:	Non-Targeted
Geographic Area:	San Diego County
TCAC Project Analyst:	Franklin Cui

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
35% AMI:	69	60%
40% AMI:	34	30%
45% AMI:	12	10%

Unit Mix

56	2-Bedroom Units
40	3-Bedroom Units
20	4-Bedroom Units
116	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
6	2 Bedrooms	45%	45%	$1,170
11	2 Bedrooms	40%	40%	$1,040
39	2 Bedrooms	35%	35%	$910
3	3 Bedrooms	45%	45%	$1,351
15	3 Bedrooms	40%	40%	$1,201
22	3 Bedrooms	35%	35%	$1,051
3	4 Bedrooms	45%	45%	$1,507
8	4 Bedrooms	40%	40%	$1,340
8	4 Bedrooms	35%	35%	$1,172
1	4 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$12,325,000
Construction Costs	$0
Rehabilitation Costs	$9,627,768
Construction Hard Cost Contingency	$962,777
Soft Cost Contingency	$93,844
Relocation	$545,000
Architectural/Engineering	$175,000
Const. Interest, Perm. Financing	$1,331,663
Legal Fees	$232,500
Reserves	$625,638
Other Costs	$653,971
Developer Fee	$3,611,968
Commercial Costs	$0
Total	**$30,185,129**

Residential	
Construction Cost Per Square Foot:	$60
Per Unit Cost:	$260,217
True Cash Per Unit Cost*:	$248,681

Construction Financing

Source	Amount
Citibank	$15,666,547
Seller Note	$6,857,205
Residual Receipt Accrued Interest	$495,000
Income During Operations	$941,468
Deferred Costs	$2,184,393
Deferred Developer Fee	$1,338,178
GP Contribution	$1,434,830
Tax Credit Equity	$1,267,508

Permanent Financing

Source	Amount
Citibank	$5,353,761
Citibank Taxable Perm. Loan	$5,314,632
Seller Note	$6,857,205
Residual Receipt Accrued Interest	$495,000
Income from Operations	$941,468
Deferred Developer Fee	$1,338,178
GP Contribution	$1,434,830
Tax Credit Equity	$8,450,055
TOTAL	**$30,185,129**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$14,892,256
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	$12,799,500
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$14,892,256
Qualified Basis (Acquisition):	$12,799,500
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$482,509
Maximum Annual Federal Credit, Acquisition:	$414,704
Total Maximum Annual Federal Credit:	$897,213
Approved Developer Fee (in Project Cost & Eligible Basis):	$3,611,968
Investor/Consultant:	Hunt Capital Partners, LLC
Federal Tax Credit Factor:	$0.94200

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$27,691,756
Actual Eligible Basis:	$27,691,756
Unadjusted Threshold Basis Limit:	$48,316,320
Total Adjusted Threshold Basis Limit:	$126,588,758

Adjustments to Basis Limit

Day Care Center

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 40%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 120%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event

Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-98-010) and (CA-99-017). 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

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-98-010) and (CA-99-017) is a qualified low-income household for the subsequent allocation (existing household eligibility is

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on TCAC staff's review of the commitment in the application. The services documented in the placed in service package will be reviewed by TCAC staff for compliance with this requirement at the time of the placed in service submission.

The project is a resyndication occurring concurrently with a Transfer Event with distribution of Net Project Equity. The rehabilitation scope of work shall include all of the Short Term Work in the amount of $1,064,830. There is a general partner equity contribution of at least $1,064,830, allowing the applicant to receive eligible basis for the entire Short Term Work amount.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

La Guadalupe, located at 110 South Boyle Street in Los Angeles, requested and is being recommended for a reservation of $1,037,500 in annual federal tax credits to finance the new construction of 43 units of housing serving special needs tenants with rents affordable to households earning 30-50% of area median income (AMI). The project will be developed by Many Mansions, a California Nonprofit Corporation and will be located in Senate District 24 and Assembly District 53.

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 HCD's MHP program.

Project Number CA-20-721

Project Name La Guadalupe

Site Address:	110 South Boyle Street	
	Los Angeles, CA 90033	County: Los Angeles
Census Tract:	2060.32	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,037,500	$0
Recommended:	$1,037,500	$0

Applicant Information

Applicant:	110 South Boyle, L.P.
Contact:	Rick Schroeder
Address:	1259 E. Thousand Oaks Blvd. Thousand Oaks, CA 91342
Phone:	805-496-4948
Email:	rick@manymansions.org

General Partner(s) or Principal Owner(s):	110 South Boyle MGP LLC 110 South Boyle AGP LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Many Mansions, a California Nonprofit Corporation Azure Development, Inc,
Developer:	Many Mansions, a California Nonprofit Corporation
Investor/Consultant:	California Housing Partnership Corporation
Management Agent:	Many Mansions, a California Nonprofit Corporation

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	44
No. / % of Low Income Units:	43 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (43 units-100%)

Bond Information

Issuer:	HCID LA
Expected Date of Issuance:	June 9, 2021

Information

Housing Type:	Special Needs
Geographic Area:	City of Los Angeles
TCAC Project Analyst:	Jonghyun(Tommy), Shim

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	33	77%
50% AMI:	10	23%

Unit Mix

19	SRO/Studio Units
19	1-Bedroom Units
6	2-Bedroom Units
44	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
5	SRO/Studio	30%	18%	$363
7	1 Bedroom	30%	20%	$415
1	2 Bedrooms	30%	18%	$467
11	SRO/Studio	30%	30%	$591
8	1 Bedroom	30%	30%	$633
1	2 Bedrooms	30%	30%	$760
3	SRO/Studio	50%	50%	$986
4	1 Bedroom	50%	50%	$1,056
3	2 Bedrooms	50%	50%	$1,267
1	2 Bedrooms	Manager's Unit	Manager's Unit	$0

Project Cost Summary at Application

Land and Acquisition	$28,089
Construction Costs	$17,539,629
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$876,981
Soft Cost Contingency	$257,054
Relocation	$0
Architectural/Engineering	$626,938
Const. Interest, Perm. Financing	$1,830,989
Legal Fees	$114,634
Reserves	$348,699
Other Costs	$1,437,089
Developer Fee	$2,929,797
Commercial Costs	$0
Total	**$25,989,899**

Residential

Construction Cost Per Square Foot:	$493
Per Unit Cost:	$590,680
True Cash Per Unit Cost*:	$578,873

Construction Financing

Source	Amount
Union Bank - Tax Exempt	$13,398,178
HCIDLA - HHH	$9,460,000
Accrued/Deferred Interest	$450,000
Deferred Costs	$1,396,964
Deferred Developer Fee	$519,478
Tax Credit Equity	$765,279

Permanent Financing

Source	Amount
Union Bank - Tax Exempt	$2,760,000
HCD - MHP	$3,635,800
HCIDLA - HHH	$9,460,000
Accrued/Deferred Interest	$110,000
General Partner Contribution	$429,797
Deferred Developer Fee	$519,477
Tax Credit Equity	$9,074,825
TOTAL	**$25,989,899**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$24,631,994
130% High Cost Adjustment:	Yes
Requested Eligible Basis:	$0
Applicable Fraction:	100.00%
Qualified Basis:	$32,021,592
Applicable Rate:	3.24%
Maximum Annual Federal Credit:	$1,037,500
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,929,797
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	$0.87468

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$24,631,994
Actual Eligible Basis:	$24,631,994
Unadjusted Threshold Basis Limit:	$14,448,096
Total Adjusted Threshold Basis Limit:	$46,183,057

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

● Project subject to a project labor agreement or Project will use skilled and trained workforce performing within an apprenticeable occupation.

Parking Beneath Residential Units or On-Site Parking Structure of Two or More Levels

100% of the Low Income Units for Special Needs Population

Local Development Impact Fees

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 23%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 152%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions:

The proposed rent does not include any utility allowance. The owner will pay for all utilities.

Staff noted the estimated cost of the project is $578,873 per unit. The applicant noted the cost is due in part to infill site with a ground level commercial/retail component. The residential parking is subterranean, in order to meet the parking goals of the project's multiple components. Additionally, the site will require some remediation of soil contaminates which contributes to increased costs.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Blossom Hill Senior Apartments, located at 397 Blossom Hill Road in San Jose, requested and is being recommended for a reservation of $2,957,382 in annual federal tax credits to finance the new construction of 145 units of housing serving tenants with rents affordable to households earning 30-50% of area median income (AMI). The project will be developed by Charities Housing Development Corporation and will be located in Senate District 17 and Assembly District 29.

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 NPLH program of HCD.

Project Number	CA-20-731		
Project Name	Blossom Hill Senior Apartments		
Site Address:	397 Blossom Hill Road		
	San Jose, CA 95123	County:	Santa Clara
Census Tract:	5120.23		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,957,382	$0
Recommended:	$2,957,382	$0

Applicant Information

Applicant:	Blossom Hill, L.P.
Contact:	Kathy Robinson
Address:	1400 Parkmoor Avenue, Suite 190 San Jose, CA 95126
Phone:	(408)550-8311
Email:	krobinson@charitieshousing.org

General Partner(s) or Principal Owner(s):	Blossom Hill Charities, LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Charities Housing Development Corporation
Developer:	Charities Housing Development Corporation
Investor/Consultant:	California Housing Partnership Corporation
Management Agent:	Charities Housing Development Corporation

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 147
No. / % of Low Income Units: 145 100.00%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax-Exempt / HUD Project Based Vouchers (49 Units - 34%)

Bond Information

Issuer: City of San Jose
Expected Date of Issuance: June 1, 2021

Information

Housing Type: Non-Targeted
Geographic Area: South and West Bay Region
TCAC Project Analyst: Franklin Cui

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	48	33%
40% AMI:	48	33%
50% AMI:	49	34%

Unit Mix

117	SRO/Studio Units
15	1-Bedroom Units
13	2-Bedroom Units
2	3-Bedroom Units
147	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
39	SRO/Studio	30%	30%	$829
5	1 Bedroom	30%	30%	$888
4	2 Bedrooms	30%	30%	$1,066
39	SRO/Studio	40%	40%	$1,106
5	1 Bedroom	40%	40%	$1,185
4	2 Bedrooms	40%	40%	$1,422
39	SRO/Studio	50%	50%	$1,382
5	1 Bedroom	50%	50%	$1,481
5	2 Bedrooms	50%	50%	$1,777
2	3 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$1,424,542
Construction Costs	$49,102,409
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$2,450,590
Soft Cost Contingency	$664,246
Relocation	$0
Architectural/Engineering	$2,156,730
Const. Interest, Perm. Financing	$7,422,524
Legal Fees	$255,000
Reserves	$1,157,470
Other Costs	$4,977,270
Developer Fee	$8,351,356
Commercial Costs	$0
Total	**$77,962,137**

Residential	
Construction Cost Per Square Foot:	$548
Per Unit Cost:	$530,355
True Cash Per Unit Cost*:	$490,550

Construction Financing

Source	Amount
Wells Fargo Bank	$39,362,559
City of San Jose	$17,348,468
County of Santa Clara[1]	$10,083,541
Accrued Deferred Interest	$244,853
Costs Deferred Until Construction	$2,501,055
Deferred Developer Fee	$5,851,356
Tax Credit Equity	$2,570,305

Permanent Financing

Source	Amount
Prudential AMC	$12,823,000
City of San Jose	$18,375,000
County of Santa Clara[1]	$10,083,541
County of Santa Clara - NPLH	$3,396,338
Accrued Deferred Interest	$244,853
Deferred Developer Fee	$5,851,356
Tax Credit Equity	$27,188,049
TOTAL	**$77,962,137**

[1]County of Santa Clara 2016 Measure A - Affordable Housing Bond
*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	$70,213,252
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$91,277,228
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$2,957,382
Approved Developer Fee (in Project Cost & Eligible Basis):	$8,351,356
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	$0.91933

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$70,213,252
Actual Eligible Basis:	$70,213,252
Unadjusted Threshold Basis Limit:	$49,870,060
Total Adjusted Threshold Basis Limit:	$134,150,461

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

Parking Beneath Residential Units or On-Site Parking Structure of Two or More Levels

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 66%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 66%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions:

The reservation of tax credits is contingent upon verification by HUD of the rental subsidy contract rent amounts within 180 days of the date of reservation.

This project's cost per unit is currently estimated at $530,355 per unit. These costs are attributed to the high cost of living in the County, the shortage of qualified labor, and the premium paid for materials due to demand in the construction market.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Cathedral Plaza, located at 1551 Third Avenue in San Diego, requested and is being recommended for a reservation of $2,742,669 in annual federal tax credits to finance the acquisition and rehabilitation of 220 units of housing serving tenants with rents affordable to households earning 50-80% of area median income (AMI). The project will be developed by Mercy Housing California and is located in Senate District 39 and Assembly District 78.

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

Project Number CA-20-732

Project Name Cathedral Plaza
Site Address: 1551 Third Avenue
San Diego, CA 92010 County: San Diego
Census Tract: 3.02

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,742,669	$0
Recommended:	$2,742,669	$0

Applicant Information
Applicant: Mercy Housing California 88, L.P.
Contact: Erika Villablanca
Address: 1500 S. Grand Avenue Suite 100
Los Angeles, CA 90015
Phone: 213-743-5826
Email: evillablanca@mercyhousing.org

General Partner(s) or Principal Owner(s): Mercy Housing California 88 LLC
General Partner Type: Nonprofit
Parent Company(ies): Mercy Housing Calwest
Developer: Mercy Housing California
Investor/Consultant: California Housing Partnership
Management Agent: Mercy Housing Management Group, Inc.

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	1
Total # of Units:	223
No. / % of Low Income Units:	220 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (220 units - 100%)

Bond Information

Issuer:	California Municipal Finance Authority
Expected Date of Issuance:	March 1, 2021

Information

Housing Type:	At-Risk
Geographic Area:	San Diego County
TCAC Project Analyst:	Brett Andersen

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	68	31%
60% AMI:	147	67%
80% AMI:	5	2%

Unit Mix

150	SRO/Studio Units
72	1-Bedroom Units
1	2-Bedroom Units
223	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
18	SRO/Studio	50%	30%	$615
25	SRO/Studio	50%	49%	$986
105	SRO/Studio	60%	59%	$1,183
2	SRO/Studio	80%	21%	$427
25	1 Bedroom	50%	26%	$559
42	1 Bedroom	60%	58%	$1,267
3	1 Bedroom	80%	24%	$513
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0
2	1 Bedroom	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$43,376,000
Construction Costs	$0
Rehabilitation Costs	$17,848,547
Construction Hard Cost Contingency	$2,014,728
Soft Cost Contingency	$300,000
Relocation	$600,000
Architectural/Engineering	$870,000
Const. Interest, Perm. Financing	$4,585,400
Legal Fees	$115,000
Reserves	$1,350,000
Other Costs	$1,018,700
Developer Fee	$8,972,081
Commercial Costs	$0
Total	**$81,050,456**

Residential	
Construction Cost Per Square Foot:	$118
Per Unit Cost:	$363,455
True Cash Per Unit Cost*:	$341,033

Construction Financing

Source	Amount
Citi Community Capital (Tax-Exempt	$43,390,000
Citi Community Capital (taxable)	$2,098,343
Seller Carryback Note	$25,885,000
Cost Deferred Until Completion	$2,338,113
Deferred Developer Fee	$5,000,000
Tax Credit Equity	$2,339,000

Permanent Financing

Source	Amount
Citi Community Capital	$8,319,000
Citi Community Capital (taxable	$14,445,000
Seller Carryback Note	$25,885,000
Income from Operations	$739,021
General Partner Equity	$1,972,081
Deferred Developer Fee	$5,000,000
Tax Credit Equity	$24,690,354
TOTAL	**$81,050,456**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$27,332,320
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$49,118,259
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$35,532,016
Qualified Basis (Acquisition):	$49,118,259
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$1,151,237
Maximum Annual Federal Credit, Acquisition:	$1,591,432
Total Maximum Annual Federal Credit:	$2,742,669
Approved Developer Fee (in Project Cost & Eligible Basis):	$8,972,081
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	$0.90023

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$76,450,579
Actual Eligible Basis:	$76,450,579
Unadjusted Threshold Basis Limit:	$59,999,528
Total Adjusted Threshold Basis Limit:	$83,999,339

Adjustments to Basis Limit

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 30%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions: 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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Residency at the Mayer Hollywood, located at 5500 Hollywood Blvd. in Los Angeles, requested and is being recommended for a reservation of $2,089,034 in annual federal tax credits to finance the acquisition and rehabilitation of 78 units of housing serving seniors with rents affordable to households earning 30-80% of area median income (AMI). The project will be developed by ABS Properties, Inc. and will be located in Senate District 24 and Assembly District 43.

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

Project Number	CA-20-733		
Project Name	Residency at the Mayer Hollywood		
Site Address:	5500 Hollywood Blvd.		
	Los Angeles, CA 90028	County:	Los Angeles
Census Tract:	1905.10		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,089,034	$0
Recommended:	$2,089,034	$0

Applicant Information

Applicant:	The Residency at the Mayer, LP
Contact:	Samir Srivastava
Address:	5500 Hollywood Blvd., 4th Floor/West Wing Los Angeles, CA 90028
Phone:	213 268 2723
Email:	samir@absllc.org

General Partner(s) or Principal Owner(s):	ABS Mayer, LLC Kingdom Mayer, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	ABS Properties, Inc. Kingdom Development, Inc.
Developer:	ABS Properties, Inc.
Investor/Consultant:	Boston Financial Investment Mgmt
Management Agent:	Genessy Property Management

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	1
Total # of Units:	79
No. / % of Low Income Units:	78 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt/HUD Section 8 Project-based Contract (78 units - 100%)

Bond Information

Issuer:	CalHFA
Expected Date of Issuance:	March 31, 2021

Information

Housing Type:	Seniors
Geographic Area:	City of Los Angeles
TCAC Project Analyst:	Jonghyun(Tommy), Shim

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	32	41%
50% AMI:	7	9%
80% AMI:	39	50%

Unit Mix

79 SRO/Studio Units
79 Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
32	SRO/Studio	30%	30%	$592
7	SRO/Studio	50%	50%	$986
39	SRO/Studio	80%	58%	$1,145
1	SRO/Studio	Manager’s Unit	Manager’s Unit	$1,145

Project Cost Summary at Application	
Land and Acquisition	$29,015,214
Construction Costs	$11,682,367
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$1,168,000
Soft Cost Contingency	$332,000
Relocation	$0
Architectural/Engineering	$795,000
Const. Interest, Perm. Financing	$5,068,837
Legal Fees	$182,647
Reserves	$315,654
Other Costs	$2,052,432
Developer Fee	$6,701,727
Commercial Costs	$9,650,450
Total	**$66,964,328**

Residential	
Construction Cost Per Square Foot:	$293
Per Unit Cost:	$725,492
True Cash Per Unit Cost*:	$521,309

Construction Financing

Source	Amount
Walker & Dunlop - Tax Exempt	$29,500,000
Walker & Dunlop - Taxable	$11,650,450
Seller Carryback Loan	$14,644,748
Deferred Costs	$3,248,923
Deferred Developer Fee	$4,201,727
Tax Credit Equity	$3,718,480

Permanent Financing

Source	Amount
Walker & Dunlop - Tax Exempt	$19,875,000
Walker & Dunlop - Taxable	$9,650,450
Seller Carryback Loan	$14,644,748
Deferred Developer Fee	$4,201,727
Tax Credit Equity	$18,592,403
TOTAL	**$66,964,328**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$27,107,305
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$29,236,843
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$35,239,496
Qualified Basis (Acquisition):	$29,236,843
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$1,141,760
Maximum Annual Federal Credit, Acquisition:	$947,274
Total Maximum Annual Federal Credit:	$2,089,034
Approved Developer Fee (in Project Cost & Eligible Basis):	$6,701,727
Investor/Consultant:	Boston Financial Investment Mgmt
Federal Tax Credit Factor:	$0.89000

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$56,344,148
Actual Eligible Basis:	$56,344,148
Unadjusted Threshold Basis Limit:	$23,174,808
Total Adjusted Threshold Basis Limit:	$56,778,280

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

One or more Energy Efficiency/Resource Conservation/Indoor Air Quality Features:

● Project has onsite renewable generation estimated to produce 50% or more of annual tenant electricity use as indicated in TCAC Regulations.

● Project has onsite renewable generation estimated to produce 75% or more of annual common area electricity use as indicated in TCAC Regulations.

● Install bamboo, stained concrete, cork, salvaged or FSC-Certified wood, natural linoleum, natural rubber, or ceramic tile in all kitchens, living rooms, and bathrooms (where no VOC adhesives or backing is used)

● Install bamboo, stained concrete, cork, salvaged or FSC-Certified wood, natural linoleum, natural rubber, or ceramic tile in all interior floor space other than units (where no VOC adhesives or backing

Seismic Upgrading

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 8%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 82%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses are below the minimum operating expenses established in the Regulations (See "Significant Information / Additional Conditions" Section below), and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions
Staff noted a per unit development cost of $725,492. The applicant noted that the per unit cost is attributed to labor costs driven by prevailing wages. Additionally, this proposed project is an adaptive reuse of an existing Historical Resource, major costs attributed to Seismic Upgrades and preservation of Historic resources are required to achieve a change of use from Commercial to Residential Use while maintaining the buildings integrity and historical relevance. Continued escalation in construction prices (specifically related to labor costs in Renovation/Rehab) are also a major driver of the costs. Other factors include high holding/capital costs for the Project related to keeping the commercial building vacant during the financing and predevelopment stages.

Within 180 days of the tax credit reservation, the applicant is required to provide an updated commitment letter from the HUD for the project-based vouchers contract to the TCAC application.

This Project's annual per unit operating expense total is below the TCAC published per unit operating minimums of $5,000. As allowed by TCAC Regulation Section 10327(g)(1), TCAC approves an annual per unit operating expense total of $4,402 on agreement of the permanent lender and equity investor.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2020 First Round
December 21, 2020

Mississippi ECB, located at 2139 El Cajon Boulevard in San Diego, requested and is being recommended for a reservation of $576,051 in annual federal tax credits to finance the new construction of 60 units of housing serving tenants with rents affordable to households earning 50-80% of area median income (AMI). The project will be developed by Rise Urban Partners, LLC and will be located in Senate District 39 and Assembly District 78.

Project Number	CA-20-735		
Project Name	Mississippi ECB		
Site Address:	2139 El Cajon Boulevard		
	San Diego, CA 92104	County:	San Diego
Census Tract:	9.000		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$576,051	$0
Recommended:	$576,051	$0

Applicant Information

Applicant:	Trestle Mississippi, LP
Contact:	David Allen
Address:	101 W. Broadway, Suite 300 San Diego, CA 92101
Phone:	509-280-5469
Email:	david@trestlebuild.com

General Partner(s) / Principal Owner(s):	Trestle Mississippi, LLC National Housing MGP, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Trestle Mississippi, LLC National Housing MGP, LLC
Developer:	Rise Urban Partners, LLC
Investor/Consultant:	Red Stone Equity Partners
Management Agent:	Hyder & Company Management

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	61
No. / % of Low Income Units:	60 100%
Federal Set-Aside Elected:	40%-60% Average Income
Federal Subsidy:	Tax Exempt

Bond Information

Issuer:	San Diego Housing Commission
Expected Date of Issuance:	02/15/21

Information

Housing Type:	Non-Targeted
Geographic Area:	San Diego County
TCAC Project Analyst:	Brett Andersen

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
At or Below 50% AMI:	54	90%
At or Below 80% AMI:	6	10%

Unit Mix

24	SRO/Studio Units
25	1-Bedroom Units
12	2-Bedroom Units
61	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
18	SRO/Studio	50%	50%	$1,011
6	SRO/Studio	80%	80%	$1,618
24	1 Bedroom	50%	50%	$1,083
12	2 Bedrooms	50%	50%	$1,300
1	1 Bedroom	Manager's Unit	Manager's Unit	$0

Project Cost Summary at Application

Land and Acquisition	$2,180,000
Construction Costs	$11,710,948
Rehabilitation Costs	$0
Contingency Costs	$1,375,296
Relocation	$0
Architectural/Engineering	$1,009,700
Const. Interest, Perm. Financing	$1,715,289
Legal Fees	$120,000
Reserves	$300,000
Other Costs	$1,510,337
Developer Fee	$2,252,337
Commercial Costs	$664,950
Total	**$22,838,857**

Residential

Construction Cost Per Square Foot:	$238
Per Unit Cost:	$363,507
True Cash Per Unit Cost*:	$359,858

Construction Financing

Source	Amount
Citi Community Capital - Tax Exempt	$12,150,000
National Housing Corporation (NHC)	$9,276,160
Accrued Interest on NHC Loan	$480,000
Net Operating Income	$198,293
Deferred Developer Fee	$229,274
Tax Credit Equity	$505,129

Permanent Financing

Source	Amount
Citi Community Capital - Tax Exemp	$2,580,000
Citi Community Capital - Taxable	$4,250,000
National Housing Corporation (NHC)	$9,600,000
Accrued Interest on NHC Loan	$480,000
Net Operating Income	$198,293
Deferred Developer Fee	$229,274
Tax Credit Equity	$5,501,290
TOTAL	**$22,838,857**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$18,936,317
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	$18,936,317
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$576,051
Approved Developer Fee (in Project Cost & Eligible Basis)	$2,252,337
Investor/Consultant:	Red Stone Equity Partners
Federal Tax Credit Factor:	$0.95500

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$18,936,317
Actual Eligible Basis:	$18,936,317
Unadjusted Threshold Basis Limit:	$17,793,236
Total Adjusted Threshold Basis Limit:	$33,807,148

Adjustments to Basis Limit:

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 90%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC’s underwriting guidelines and TCAC limitations. Annual operating expenses are below the minimum operating expenses established in the Regulations (See "Significant Information / Additional Conditions" Section below), and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

This Project's annual per unit operating expense total is below the TCAC published per unit operating minimums of $5,500 As allowed by TCAC Regulation Section 10327(g)(1), TCAC approves an annual per unit operating expense total of $4,873 on agreement of the permanent lender and equity investor.

Resyndication and Resyndication Transfer Event: None.

Legal Status

Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

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.

The applicant must submit all documentation required for any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation.

TCAC 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 TCAC.

The applicant must pay TCAC a performance deposit and reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC 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 points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. 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.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Balboa Park Upper Yard, located at 2340 San Jose Avenue in San Francisco, requested and is being recommended for a reservation of $4,710,233 in annual federal tax credits to finance the new construction of 130 units of housing serving tenants with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by Related Irvine Development Company, LLC and will be located in Senate District 11 and Assembly District 19.

Balboa Park Upper Yard will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the AHSC program of HCD.

Project Number	CA-20-737		
Project Name	Balboa Park Upper Yard		
Site Address:	2340 San Jose Avenue		
	San Francisco CA, 94112	County:	San Francisco
Census Tract:	261.00		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$4,710,233	$0
Recommended:	$4,710,233	$0

Applicant Information

Applicant:	Balboa Park Housing Partners, L.P.
Contact:	Ann Silverberg
Address:	44 Montgomery Street, Suite 1300
	San Francisco CA, 94104
Phone:	(415) 677-9000
Email:	asilverberg@related.com

General Partner(s) or Principal Owner(s):	Colosimo Apartments, Inc.
	Related/Balboa Development Co., LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Mission Housing Development Corporation
	The Related Companies of California, LLC
Developer:	Related Irvine Development Company, LLC
Investor/Consultant:	U.S. Bancorp Community Development Corporation
Management Agent:	Caritas Management Corporation

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	131
No. / % of Low Income Units:	130 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (39 units - 30%)

Bond Information

Issuer:	City and County of San Francisco
Expected Date of Issuance:	January 15, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	San Francisco County
TCAC Project Analyst:	Sarah Gullikson

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	27	21%
50% AMI:	55	42%
60% AMI:	31	24%
80% AMI:	17	13%

Unit Mix

6	SRO/Studio Units
47	1-Bedroom Units
62	2-Bedroom Units
16	3-Bedroom Units
131	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
1	SRO/Studio	30%	30%	$913
3	SRO/Studio	50%	37%	$1,121
2	SRO/Studio	60%	60%	$1,827
10	1 Bedroom	30%	30%	$978
9	1 Bedroom	50%	39%	$1,281
13	1 Bedroom	50%	39%	$1,281
11	1 Bedroom	60%	60%	$1,957
4	1 Bedroom	80%	80%	$2,610
13	2 Bedrooms	30%	30%	$1,174
22	2 Bedrooms	50%	37%	$1,441
7	2 Bedrooms	60%	37%	$1,441
8	2 Bedrooms	60%	60%	$2,349
11	2 Bedrooms	80%	80%	$3,132
3	3 Bedrooms	30%	30%	$1,357
8	3 Bedrooms	50%	34%	$1,540
3	3 Bedrooms	60%	60%	$2,715
2	3 Bedrooms	80%	80%	$3,620
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$20,000
Construction Costs	$89,318,880
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$4,357,092
Soft Cost Contingency	$1,172,162
Relocation	$0
Architectural/Engineering	$4,255,936
Const. Interest, Perm. Financing	$8,407,782
Legal Fees	$355,000
Reserves	$1,212,395
Other Costs	$2,588,756
Developer Fee	$5,500,000
Commercial Costs	$3,451,506
Total	**$120,639,509**

Residential	
Construction Cost Per Square Foot:	$860
Per Unit Cost:	$894,565
True Cash Per Unit Cost*:	$884,554

Construction Financing

Source	Amount
US Bank - Tax Exempt	$62,500,000
US Bank - Taxable	$17,889,123
San Francisco MOHCD RR	$30,493,722
Deferred Costs	$784,885
Deferred Developer Fee	$2,400,000
General Partner Equity	$2,050,000
Tax Credit Equity	$4,521,779

Permanent Financing

Source	Amount
US Bank Tax Exempt - Tranche A	$9,838,000
US Bank Tax Exempt - Tranche B	$11,690,000
San Francisco MOHCD RR	$30,493,722
HCD - AHSC	$20,000,000
Deferred Developer Fee	$1,350,000
General Partner Equity	$2,050,000
Tax Credit Equity	$45,217,787
TOTAL	**$120,639,509**

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

Determination of Credit Amount(s)	
Requested Eligible Basis:	$111,838,966
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$145,390,656
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$4,710,233
Approved Developer Fee (in Project Cost & Eligible Basis):	$5,500,000
Investor/Consultant:	U.S. Bancorp Community Development Corporation
Federal Tax Credit Factor:	$0.95999

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$111,838,966
Actual Eligible Basis:	$111,838,966
Unadjusted Threshold Basis Limit:	$77,063,879
Total Adjusted Threshold Basis Limit:	$163,970,046

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

Local Development Impact Fees

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 42%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 40%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

Staff noted the cost per unit is approximately $884,554. The applicant noted the cost is attributed to its location in the San Francisco market area, payment of prevailing wages, and foundation and structural costs.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Mercado Apartments, located at 2001 Newton Avenue in San Diego, requested and is being recommended for a reservation of $1,372,351 in annual federal tax credits to finance the acquisition and rehabilitation of 142 units of housing serving large families with rents affordable to households earning 35-60% of area median income (AMI). The project will be developed by MAAC and is located in Senate District 40 and Assembly District 80.

Mercado Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Mercado Apartments (CA-92-132). See **Resyndication and Resyndication Transfer Event** below for additional information.

Project Number CA-20-738

Project Name	Mercado Apartments		
Site Address:	2001 Newton Avenue		
	San Diego, CA 92113	County:	San Diego
Census Tract:	50.00		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,372,351	$0
Recommended:	$1,372,351	$0

Applicant Information

Applicant:	Mercado 2019 LP
Contact:	Christopher Ramirez
Address:	1355 Third Ave Chula Vista, CA 91911
Phone:	(619) 426-3595
Email:	cramirez@maacproject.org

General Partner(s) or Principal Owner(s):	Mercado MGP 2019 LLC
General Partner Type:	Nonprofit
Parent Company(ies):	MAAC
Developer:	MAAC
Investor/Consultant:	Hunt Capital Partners
Management Agent:	MAAC

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	24
Total # of Units:	144
No. / % of Low Income Units:	142 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax Exempt

Bond Information

Issuer:	San Diego Housing Commission
Expected Date of Issuance:	June 30, 2021

Information

Housing Type:	Large Family
Geographic Area:	San Diego County
TCAC Project Analyst:	Brett Andersen

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
35% AMI:	56	39%
50% AMI:	5	4%
60% AMI:	81	57%

Unit Mix

18 1-Bedroom Units
60 2-Bedroom Units
66 3-Bedroom Units
144 Total Units

Unit Type & Number		Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Rent (including utilities)
11	1 Bedroom	60%	53%	$1,146
7	1 Bedroom	35%	33%	$707
37	2 Bedrooms	60%	48%	$1,249
2	2 Bedrooms	50%	43%	$1,112
21	2 Bedrooms	35%	28%	$736
33	3 Bedrooms	60%	49%	$1,465
3	3 Bedrooms	50%	41%	$1,238
28	3 Bedrooms	35%	25%	$761
2	3 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$23,195,000
Construction Costs	$0
Rehabilitation Costs	$9,891,072
Construction Hard Cost Contingency	$989,107
Soft Cost Contingency	$138,126
Relocation	$900,000
Architectural/Engineering	$205,000
Const. Interest, Perm. Financing	$2,009,592
Legal Fees	$257,500
Reserves	$782,742
Other Costs	$899,925
Developer Fee	$5,286,691
Commercial Costs	$0
Total	**$44,554,755**

Residential	
Construction Cost Per Square Foot:	$63
Per Unit Cost:	$309,408
True Cash Per Unit Cost*:	$297,001

Construction Financing

Source	Amount
CBT- Tax Exempt Const. Loan	$23,275,713
Seller Note	$14,361,000
Residual Receipt - Accrued Interest	$927,750
Income from Operations	$1,147,167
Deferred Costs	$496,823
Deferred Developer Fee	$1,786,585
Contributed Developer Fee	$600,000
Tax Credit Equity	$1,959,717

Permanent Financing

Source	Amount
CBT- Taxable Permanent Loan	$7,853,613
CBT-Tax Exempt Permanent Loan	$4,813,859
Seller Note	$14,361,000
Residual Receipt - Accrued Interest	$927,750
Income from Operations	$1,147,167
Deferred Developer Fee	$1,786,585
Contributed Developer Fee	$600,000
Tax Credit Equity	$13,064,781
TOTAL	**$44,554,755**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$16,542,295
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$23,989,000
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$21,504,983
Qualified Basis (Acquisition):	$23,989,000
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$595,107
Maximum Annual Federal Credit, Acquisition:	$777,244
Total Maximum Annual Federal Credit:	$1,372,351
Approved Developer Fee (in Project Cost & Eligible Basis	$5,286,691
Investor/Consultant:	Hunt Capital Partners
Federal Tax Credit Factor:	$0.95200

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$40,531,295
Actual Eligible Basis:	$40,531,295
Unadjusted Threshold Basis Limit:	$56,747,112
Total Adjusted Threshold Basis Limit:	$103,847,215

Adjustments to Basis Limit

Day Care Center

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 3%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 78%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event

Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-92-132). 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

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 and any deeper targeting levels in the new regulatory agreement for the duration of the new regulatory agreement. 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-00-822) is a qualified low-income household for the subsequent allocation (existing household eligibility is "grandfathered").

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on TCAC staff's review of the commitment in the application. The services documented in the placed in service package will be reviewed by TCAC staff for compliance with this requirement at the time of the placed in service

The project is a re-syndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from setting aside a Short Term Work Capitalized Replacement Reserve that is otherwise required.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Perris Sterling Villas III, located at Nuevo Road at Marietta Road in Perris, requested and is being recommended for a reservation of $1,358,745 in annual federal tax credits to finance the new construction of 215 units of housing serving seniors with rents affordable to households earning 50-70% of area median income (AMI). The project will be developed by American Covenant Senior Housing Foundation Inc. and will be located in Senate District 31 and Assembly District 61.

Project Number	CA-20-740		
Project Name	Perris Sterling Villas III		
Site Address:	Nuevo Road at Marietta Road		
	Perris, CA 92571		County: Riverside
Census Tract:	426.17		

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,358,745	$0
Recommended:	$1,358,745	$0

Applicant Information

Applicant:	Perris Sterling Villas III LLC
Contact:	Richard Schindler
Address:	Nuevo Rd at Murrietta Rd Perris, CA 92571
Phone:	(949) 366-0001
Email:	richard@schninlerrealestate.com

General Partner(s) or Principal Owner(s):	American Covenant Senior Housing Foundation Inc. Schindler Real Estate Services LLC
General Partner Type:	Joint Venture
Parent Company(ies):	American Covenant Senior Housing Foundation Schindler Real Estate Services LLC
Developer:	American Covenant Senior Housing Foundation Inc
Investor/Consultant:	Hunt Capital Parnters LLC
Management Agent:	Western National Group (WNG)

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	2	
Total # of Units:	286	
No. / % of Low Income Units:	215	75.70%
Federal Set-Aside Elected:	40%/60% Average Income	
Federal Subsidy:	Tax Exempt	

Bond Information

Issuer:	CALPFA
Expected Date of Issuance:	February 15, 2020

Information

Housing Type:	Seniors
Geographic Area:	Inland Empire Region
TCAC Project Analyst:	Brett Andersen

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	108	50%
70% AMI:	107	50%

Unit Mix

152	1-Bedroom Units
137	2-Bedroom Units
289	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
56	1 Bedroom	50%	50%	$706
56	1 Bedroom	70%	70%	$989
51	2 Bedrooms	70%	70%	$1,186
52	2 Bedrooms	50%	50%	$847
3	1 Bedroom	Manager’s Unit	Manager’s Unit	$5,850
37	1 Bedroom	Market Rate Unit	Market Rate Unit	$1,950
34	2 Bedrooms	Market Rate Unit	Market Rate Unit	$2,250

Project Cost Summary at Application	
Land and Acquisition	$3,636,771
Construction Costs	$38,784,000
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$1,162,800
Soft Cost Contingency	$1,020,000
Relocation	$0
Architectural/Engineering	$2,169,500
Const. Interest, Perm. Financing	$2,499,900
Legal Fees	$110,000
Reserves	$2,361,829
Other Costs	$1,095,546
Developer Fee	$7,150,908
Commercial Costs	$0
Total	**$59,991,254**

Residential

Construction Cost Per Square Foot:	$162
Per Unit Cost:	$209,760
True Cash Per Unit Cost*:	$195,468

Construction Financing

Source	Amount
ATAX	$35,939,421
Churchill Stateside Group	$8,371,685
Schindler Real Estate	$4,058,326
Deferred Developer Fee	$3,500,908
Tax Credit Equity	$9,335,476

Permanent Financing

Source	Amount
ATAX	$35,939,421
Churchill Stateside Group	$5,500,000
Schindler Real Estate	$2,890,157
Deferred Developer Fee	$3,500,908
Tax Credit Equity	$12,160,768
TOTAL	**$59,991,254**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$55,784,631
130% High Cost Adjustment:	No
Applicable Fraction:	75.70%
Qualified Basis:	$42,231,323
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$1,358,745
Approved Developer Fee (in Project Cost & Eligible Basis):	$7,150,908
Investor/Consultant:	Hunt Capital Partners LLC
Federal Tax Credit Factor:	$0.89500

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$55,784,631
Actual Eligible Basis:	$55,784,631
Unadjusted Threshold Basis Limit:	$95,524,536
Total Adjusted Threshold Basis Limit:	$130,868,614

Adjustments to Basis Limit

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 37%

Cost Analysis and Line Item Review
Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions: 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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

6th and San Julian, located at 401 East 6th Street in Los Angeles, requested and is being recommended for a reservation of $2,092,144 in annual federal tax credits to finance the new construction of 93 units of housing serving special needs tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Mercy Housing California and will be located in Senate District 30 and Assembly District 53.

6th and San Julian will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the NPLH and SHMHP programs of HCD.

Project Number CA-20-741

Project Name 6th and San Julian
Site Address: 401 East 6th St
Los Angeles, CA 90013 County: Los Angeles
Census Tract: 2063.00

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,092,144	$0
Recommended:	$2,092,144	$0

Applicant Information
Applicant: Mercy Housing California 89, L.P.
Contact: Erika Villablanca
Address: 1500 S. Grand Avenue Suite 100
Los Angeles, CA 90015
Phone: 213-743-5826
Email: evillablanca@mercyhousing.org

General Partner(s) or Principal Owner(s): Mercy Housing California 89 LLC
General Partner Type: Nonprofit
Parent Company(ies): Mercy Housing Calwest
Developer: Mercy Housing California
Investor/Consultant: California Housing Partnershop Corp.
Management Agent: Mercy Housing Management Group

Project Information
Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 94
No. / % of Low Income Units: 93 100.00%
Federal Set-Aside Elected: 40%/60% Average Income
Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (93 units - 100%)

Bond Information

Issuer:	City of Los Angeles
Expected Date of Issuance:	April 10, 2021

Information

Housing Type:	Special Needs
Geographic Area:	City of Los Angeles
TCAC Project Analyst:	Brett Andersen

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	93	100%

Unit Mix

93 1-Bedroom Units
1 2-Bedroom Units
94 Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
93	1 Bedroom	30%	30%	$633
1	2 Bedrooms	Manager's Unit	Manager's Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$7,158,443
Construction Costs	$31,365,542
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$3,216,899
Soft Cost Contingency	$339,501
Relocation	$0
Architectural/Engineering	$2,095,857
Const. Interest, Perm. Financing	$3,356,611
Legal Fees	$225,000
Reserves	$1,450,240
Other Costs	$4,666,389
Developer Fee	$5,908,010
Commercial Costs	$0
Total	**$59,782,492**

Residential

Construction Cost Per Square Foot:	$439
Per Unit Cost:	$635,984
True Cash Per Unit Cost*:	$631,215

Construction Financing

Source	Amount
Citi Community Capital (Tax-Exem	$33,348,722
Citi Community Capital (Taxable)	$8,799,364
City of LA - HHH	$7,320,000
City of LA - HHH Accrued Interest	$38,540
LACDA - No Place Like Home	$5,060,000
Costs Deferred Until Conversion	$3,089,737
Deferred Developer Fee	$448,287
GP Equity (Other)	$100
Tax Credit Equity	$1,677,742

Permanent Financing

Source	Amount
Citi Community Capital	$2,301,000
City of LA - HHH	$15,320,000
City of LA - HHH Accrued Interest	$38,540
HCD - SHMHP	$14,584,138
LACDA - No Place Like Home	$5,060,000
Deferred Developer Fee	$448,287
GP Equity	$3,408,010
GP Equity (Other)	$100
Tax Credit Equity	$18,622,417
TOTAL	**$59,782,492**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$49,671,046
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$64,572,360
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$2,092,144
Approved Developer Fee (in Project Cost & Eligible Basis):	$5,908,010
Investor/Consultant:	California Housing Partnershop Corp.
Federal Tax Credit Factor:	$0.89011

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$49,671,046
Actual Eligible Basis:	$49,671,046
Unadjusted Threshold Basis Limit:	$31,863,576
Total Adjusted Threshold Basis Limit:	$105,516,696

Adjustments to Basis Limit

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages

Local Development Impact Fees

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 200%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions: 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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Central Plaza Apartments, located at 200 McClelland Street in Santa Maria, requested and is being recommended for a reservation of $1,712,532 in annual federal tax credits to finance the acquisition and rehabilitation of 111 units of housing with rents affordable to households earning 50-60% of area median income (AMI). The project will be developed by Housing Authority of the County of Santa Barbara and is located in Senate District 19 and Assembly District 35.

Central Plaza Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Central Plaza Apartments (CA-04-909). See **Resyndication and Resyndication Transfer Event** below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-20-742

Project Name Central Plaza Apartments

Site Address: 200 McClelland Street
Santa Maria, CA 93454 County: Santa Barbara

Census Tract: 22.06

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$1,712,532	$0
Recommended:	$1,712,532	$0

Applicant Information

Applicant: Central Plaza Apartments Resyndication, L.P.
Contact: Robert R. Havlicek, Jr.
Address: 815 West Ocean Avenue
Lompoc, CA 93436
Phone: 805-736-3423
Email: bobhavlicek@hasbarco.org

General Partner(s) or Principal Owner(s): Housing Authority of the County of Santa Barbara
Surf Development Company
General Partner Type: Nonprofit
Parent Company(ies): Housing Authority of the County of Santa Barbara
Housing Authority of the County of Santa Barbara
Developer: Housing Authority of the County of Santa Barbara
Investor/Consultant: CREA
Management Agent: Housing Authority of the County of Santa Barbara

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	14
Total # of Units:	112
No. / % of Low Income Units:	111 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project Based Vouchers (111 units-100%)

Bond Information

Issuer:	Housing Authority of the County of Santa Barbara
Expected Date of Issuance:	February 1, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	Central Coast Region
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	35	32%
60% AMI:	76	68%

Unit Mix

40	1-Bedroom Units
56	2-Bedroom Units
16	3-Bedroom Units
112	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
13	1 Bedroom	50%	50%	$1,115
7	1 Bedroom	60%	60%	$1,338
20	1 Bedroom	60%	60%	$1,338
1	2 Bedrooms	50%	50%	$1,338
16	2 Bedrooms	50%	50%	$1,338
38	2 Bedrooms	60%	60%	$1,606
1	3 Bedrooms	50%	50%	$1,547
4	3 Bedrooms	50%	50%	$1,547
11	3 Bedrooms	60%	60%	$1,857
1	2 Bedrooms	Manager's Unit	Manager's Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$23,200,000
Construction Costs	$0
Rehabilitation Costs	$15,321,600
Construction Hard Cost Contingency	$1,542,160
Soft Cost Contingency	$200,000
Relocation	$800,000
Architectural/Engineering	$150,000
Const. Interest, Perm. Financing	$2,153,125
Legal Fees	$120,000
Reserves	$2,062,767
Other Costs	$360,305
Developer Fee	$5,472,738
Commercial Costs	$0
Total	**$51,382,695**

Residential	
Construction Cost Per Square Foot:	$141
Per Unit Cost:	$458,774
True Cash Per Unit Cost*:	$330,434

Construction Financing

Source	Amount
Pacific Western Bank Loan	$29,100,000
Pacific Western Bank Taxable Loan	$2,093,018
Seller Carryback Loan	$11,500,000
Deferred Developer Fee	$4,823,075
GP Equity	$818,600
Tax Credit Equity	$3,048,002

Permanent Financing

Source	Amount
Pacific Western Bank Loan	$20,950,000
Seller Carryback Loan	$11,500,000
Deferred Developer Fee	$2,874,084
GP Equity	$818,600
Tax Credit Equity	$15,240,011
TOTAL	**$51,382,695**

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

Determination of Credit Amount(s)	
Requested Eligible Basis (Rehabilitation):	$22,814,626
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$23,196,917
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$29,659,014
Qualified Basis (Acquisition):	$23,196,917
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$960,952
Maximum Annual Federal Credit, Acquisition:	$751,580
Total Maximum Annual Federal Credit:	$1,712,532
Approved Developer Fee (in Project Cost & Eligible Basis):	$5,472,738
Investor/Consultant:	CREA
Federal Tax Credit Factor:	$0.88991

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$46,011,543
Actual Eligible Basis:	$46,011,543
Unadjusted Threshold Basis Limit:	$39,558,104
Total Adjusted Threshold Basis Limit:	$53,799,021

Adjustments to Basis Limit

One or more Energy Efficiency/Resource Conservation/Indoor Air Quality Features:

● Project has onsite renewable generation estimated to produce 50% or more of annual tenant electricity use as indicated in TCAC Regulations.

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 31%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

Resyndication and Resyndication Transfer Event

Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-04-909). 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-04-909) is a qualified low-income household for the subsequent allocation (existing household eligibility is "grandfathered").

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on TCAC staff's review of the commitment in the application. The services documented in the placed-in-service package will be reviewed by TCAC staff for compliance with this requirement at the time of the placed-in-service submission.

The project is a re-syndication occurring concurrently with a Transfer Event with distribution of Net Project Equity, which is otherwise required to set aside a Short Term Work Capitalized Replacement Reserve in the amount of $806,000. In lieu of a Short Term Work Capitalized Reserve, there is a general partner equity contribution of $818,600, allowing the applicant to use the Short Term Work Reserve Amount to fund rehabilitation expenses and to receive eligible basis for that amount.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Thompson Park Apartments, located at 501, 505, 509 and 513 N. S Street, 508 N. T Street and 401, 403 and 405 W. Chestnut Avenue in Lompoc, requested and is being recommended for a reservation of $352,893 in annual federal tax credits to finance the acquisition and rehabilitation of 28 units of housing with rents affordable to households earning 50-60% of area median income (AMI). The project will be developed by the Housing Authority of the County of Santa Barbara is located in Senate District 19 and Assembly District 35.

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

Project Number CA-20-743

Project Name Thompson Park Apartments

Site Addresses:	Thompson Park 501, 505, 509 & 513 N. S Street and 508 N. T Street Lompoc, CA 93436	Chestnut 401, 403 & 405 W. Chestnut Avenue Lompoc, CA 93436
County:	Santa Barbara	
Census Tract:	0027.02	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$352,893	$0
Recommended:	$352,893	$0

Applicant Information

Applicant:	Thompson Park Apartments, L.P.
Contact:	Robert P. Havlicek Jr.
Address:	815 West Ocean Avenue Lompoc, CA 93436
Phone:	(805) 736-3423
Email:	bobhavlicek@hasbarco.org

General Partner(s) or Principal Owner(s):	Surf Development Company Housing Authority of the County of Santa Barbara
General Partner Type:	Nonprofit
Parent Company(ies):	Housing Authority of the County of Santa Barbara Housing Authority of the County of Santa Barbara
Developer:	Housing Authority of the County of Santa Barbara
Investor/Consultant:	RBC Community Investments
Management Agent:	Housing Authority of the County of Santa Barbara

Project Information

Construction Type:	Acquisition & Rehabilitation	
Total # Residential Buildings:	6	
Total # of Units:	29	
No. / % of Low Income Units:	28	100.00%
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project Based Vouchers (16 units - 55%)	

Bond Information

Issuer:	Housing Authority of the County of Santa Barbara
Expected Date of Issuance:	February 1, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	Central Coast Region
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	10	36%
60% AMI:	18	64%

Unit Mix

29	2-Bedroom Units
29	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
10	2 Bedrooms	50%	50%	$1,338
6	2 Bedrooms	60%	52%	$1,400
12	2 Bedrooms	60%	55%	$1,470
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$5,300,000
Construction Costs	$0
Rehabilitation Costs	$2,435,000
Construction Hard Cost Contingency	$247,500
Soft Cost Contingency	$150,000
Relocation	$0
Architectural/Engineering	$300,000
Const. Interest, Perm. Financing	$599,533
Legal Fees	$50,000
Reserves	$498,868
Other Costs	$577,679
Developer Fee	$1,142,149
Commercial Costs	$0
Total	**$11,300,729**

Residential	
Construction Cost Per Square Foot:	$105
Per Unit Cost:	$389,680
True Cash Per Unit Cost*:	$258,646

Construction Financing

Source	Amount
Pacific Western Bank	$6,016,031
Seller Carryback Loan	$3,800,000
Deferred Developer Fee	$856,611
Tax Credit Equity	$628,087

Permanent Financing

Source	Amount
Pacific Western Bank	$4,250,000
Seller Carryback Loan	$3,800,000
Solar Tax Credit Equity	$110,295
Tax Credit Equity	$3,140,434
TOTAL	**$11,300,729**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$4,503,956
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$5,036,593
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$5,855,143
Qualified Basis (Acquisition):	$5,036,593
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$189,707
Maximum Annual Federal Credit, Acquisition:	$163,186
Total Maximum Annual Federal Credit:	$352,893
Approved Developer Fee (Project Cost & Eligible Basis):	$1,142,149
Investor/Consultant:	RBC Community Investments
Federal Tax Credit Factor:	$0.88991

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$9,540,549
Actual Eligible Basis:	$9,540,549
Unadjusted Threshold Basis Limit:	$10,463,200
Total Adjusted Threshold Basis Limit:	$14,648,480

Adjustments to Basis Limit

One or more Energy Efficiency/Resource Conservation/Indoor Air Quality Features:

● Project has onsite renewable generation estimated to produce 50% or more of annual tenant electricity use as indicated in TCAC Regulations.

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 35%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

This project involves the substantial rehabilitation of six buildings located at two scattered-sites. The buildings were originally constructed in 1962 in the city of Lompoc.

Both sites will be managed by an onsite property manager located at the Thompson Park site.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

AGENDA ITEM 8

Discussion and Consideration of
Additional 2020 Applications for
Reservation of Federal Four Percent (4%)
and State Farmworker Low Income
Housing Tax Credits (LIHTCs) for Tax-
Exempt Bond Financed Projects

Conflict Summary
December 21, 2020
CTCAC Committee Meeting

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Bond Issuer	Credit Enhancement Provider	Lender(s) (First Lender is Primary Construction Lender)
CA-20-717	Kristine II 2901 Virginia Avenue Bakersfield, CA 93307 Kern County	Kristine Housing Partners, L.P. Deborrah A. Willard	FFAH V Kristine Apartments, LLC Deborrah A. Willard	Affirmed Housing Group Cristina Martinez	Virginia Avenue Affordable Housing LP James Silverwood	CMFA	N/A	Banner Bank HCD Joe Serna FW Fund Seller Carryback Note

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Kristine II, located at 2901 Virginia Avenue in Bakersfield, requested and is being recommended for a reservation of $289,864n annual federal tax credits and $622,053 in total state farmworker tax credits to finance the acquisition and rehabilitation of 59 units of housing serving large families with rents affordable to households earning 30-50% of area median income (AMI). The project will be developed by Affirmed Housing Group and is located in Senate District 14 and Assembly District 32.

Kristine II is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Kristine Apartments (CA-92-010). See **Resyndication and Resyndication Transfer Event** below for additional information. The project financing includes state funding from the Joe Serna, Jr. Farmworker Housing Grant (FWHG) program(s) of HCD.

Project Number	CA-20-717		
Project Name	Kristine II		
Site Address:	2901 Virginia Avenue		
	Bakersfield, CA 93307	County:	Kern
Census Tract:	23.01		

Tax Credit Amounts	**Federal/Annual**	**State/Total** *
Requested:	$289,864	$622,053
Recommended:	$289,864	$622,053 **

* The applicant made an election not to sell (Certificate) any portion of the state credits.
**Farmworker State Credits

Applicant Information

Applicant:	Kristine Housing Partners, L.P.
Contact:	Deborrah A. Willard
Address:	384 Forest Avenue, Suite 14
	Laguna Beach, CA 92651
Phone:	(949) 443-9101
Email:	deborrah@ffah.org

General Partner(s) or Principal Owner(s):	FFAH V Kristine Apartments, LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Foundation for Affordable Housing V, Inc.
Developer:	Affirmed Housing Group
Investor/Consultant:	WNC & Associates, Inc.
Management Agent:	Solari Enterprises

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	11
Total # of Units:	60
No. / % of Low Income Units:	59 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt

Bond Information

Issuer:	California Municipal Finance Authority
Expected Date of Issuance:	May 21, 2021

Information

Housing Type:	Large Family
Geographic Area:	Central Valley Region
TCAC Project Analyst:	Jonghyun(Tommy) Shim

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
30% AMI:	3	5%
50% AMI:	56	95%

Unit Mix

20	2-Bedroom Units
40	3-Bedroom Units
60	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
2	2 Bedrooms	30%	30%	$472
18	2 Bedrooms	50%	48%	$761
1	3 Bedrooms	30%	30%	$545
38	3 Bedrooms	50%	48%	$875
1	3 bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$5,180,200
Construction Costs	$0
Rehabilitation Costs	$4,234,074
Construction Hard Cost Contingency	$423,407
Soft Cost Contingency	$125,090
Relocation	$60,000
Architectural/Engineering	$348,000
Const. Interest, Perm. Financing	$940,000
Legal Fees	$215,000
Reserves	$132,000
Other Costs	$328,000
Developer Fee	$951,263
Commercial Costs	$0
Total	**$12,937,034**

Residential	
Construction Cost Per Square Foot:	$69
Per Unit Cost:	$215,617
True Cash Per Unit Cost*:	$184,056

Construction Financing

Source	Amount
Banner Bank - Tax Exempt	$6,700,252
Banner Bank - Taxable	$2,780,000
Seller Carryback Note	$1,893,701
Deferred Costs	$773,244
Tax Credit Equity	$789,837

Permanent Financing

Source	Amount
Banner Bank - Taxable	$2,201,868
HCD Joe Serna FW Fund	$5,303,352
Seller Carryback Note	$1,893,701
CSD-Low Income Weatherization	$378,765
Tax Credit Equity	$3,159,348
TOTAL	**$12,937,034**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$3,162,561
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$4,835,100
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$4,111,329
Qualified Basis (Acquisition):	$4,835,100
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$133,207
Maximum Annual Federal Credit, Acquisition:	$156,657
Total Maximum Annual Federal Credit:	$289,864
Total State Credit:	$622,053
Approved Developer Fee (in Project Cost & Eligible Basis):	$951,263
Investor/Consultant:	WNC & Associates, Inc.
Federal Tax Credit Factor:	$0.93060
State Tax Credit Factor:	$0.74250

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$7,997,661
Actual Eligible Basis:	$7,997,661
Unadjusted Threshold Basis Limit:	$25,859,840
Total Adjusted Threshold Basis Limit:	$52,754,074

Adjustments to Basis Limit

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 94%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 10%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions:
The proposed rents do not include any utility allowance. The owner will pay for all utilities.

Resyndication and Resyndication Transfer Event
Prior to closing, the applicant or its assignee shall obtain TCAC's consent to assign and assume the existing Regulatory Agreement (CA-92-010). 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-92-010) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

The project is a resyndication occurring concurrently with a Transfer Event with distribution of Net Project Equity. The project is currently subject to a Capital Needs Agreement due to a prior Transfer Event which required Short Term Work of $274,139, which may be included in the budget but cannot be included in eligible basis. This Subsequent Transfer Event requires a seller carryback note in the amount of $1,505,018. As a result, the minimum amount required to be excluded from eligible basis is $1,779,157. In addition, the Current Replacement Reserve balance is $13,768, and the Short Term Work Reserve account in connection to Capital Needs Agreement from the previous transfer event has a balance of $374,915. The seller carryback note includes the amounts required by the prior and current transfer events plus the reserve balances.

The rehabilitation scope of work shall include all of the Short Term Work in the amount of $2,472,808. The Short Term Work amount of $2,472,808 is excluded from eligible basis.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

AGENDA ITEM 9

Discussion and Consideration of Additional 2020 Applications for Reservation of Federal Four Percent (4%) and State Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects

Conflict Summary
December 21, 2020
CTCAC Committee Meeting

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Bond Issuer	Credit Enhancement Provider	Lender(s) (First Lender is Primary Construction Lender)
CA-20-727	Pasadena Studios 274, 282 N. Oakland Ave. Pasadena, CA 91101 Los Angeles County	Pasadena Studios, LLC Maria Seager	Central Valley Coalition For Affordable Housing Christina Alley Pasadena Studios, LLC Maria Seager	Community Builders Group Joseph Seager	Josefina Torres Miller Trust Grete Karen Miller Crawford	CSCDA	N/A	Citi Community Capital

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 21, 2020

Pasadena Studios, located at 274 & 282 N. Oakland Avenue in Pasadena, requested and is being recommended for a reservation of $1,244,840 in annual federal tax credits and $4,610,515 in total state tax credits to finance the new construction of 179 units of housing serving tenants with rents affordable to households earning 50-60% of area median income (AMI). The project will be developed by Community Builders Group, LLC and will be located in Senate District 25 and Assembly District 41.

Project Number CA-20-727

Project Name Pasadena Studios
Site Address: 274 & 282 N. Oakland Avenue
Pasadena, CA 91101 County: Los Angeles
Census Tract: 4622.02

Tax Credit Amounts	**Federal/Annual**	**State/Total** *
Requested:	$1,244,840	$4,610,515
Recommended:	$1,244,840	$4,610,515

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant:	Pasadena Studios, LLC
Contact:	Maria Seager
Address:	424 N. Lake Ave., Suite 305 Pasadena, CA 91101
Phone:	(626) 797-3888
Email:	Mseager@TheCBG.com

General Partner(s) or Principal Owner(s):	Central Valley Coalition For Affordable Housing Pasadena Studios, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Central Valley Coalition For Affordable Housing Community Builders Group, LLC
Developer:	Community Builders Group, LLC
Investor/Consultant:	WNC & Associates
Management Agent:	WinnResidential California L.P.

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	181
No. / % of Low Income Units:	179 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt

Bond Information

Issuer:	California Statewide Communities Development Authority
Expected Date of Issuance:	June 8, 2021

Information

Housing Type:	Non-Targeted
Geographic Area:	Balance of Los Angeles County
TCAC Project Analyst:	Tiffani Negrete

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	54	30%
60% AMI:	125	70%

Unit Mix

180	SRO/Studio Units
1	1-Bedroom Units
181	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
54	SRO/Studio	50%	50%	$986
125	SRO/Studio	60%	60%	$1,183
1	SRO/Studio	Manager’s Unit	Manager’s Unit	$0
1	1 Bedroom	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$5,525,000
Construction Costs	$20,065,686
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$1,003,284
Soft Cost Contingency	$200,000
Relocation	$0
Architectural/Engineering	$1,300,983
Const. Interest, Perm. Financing	$2,053,695
Legal Fees	$185,000
Reserves	$506,177
Other Costs	$1,549,105
Developer Fee	$3,515,305
Commercial Costs	$0
Total	**$35,904,235**

Residential	
Construction Cost Per Square Foot:	$455
Per Unit Cost:	$198,366
True Cash Per Unit Cost*:	$195,850

Construction Financing

Source	Amount
Citibank - T.E. Bonds	$21,032,760
Citibank	$7,942,601
Deferred Reserves	$506,177
Deferred Developer Fee	$3,515,305
Tax Credit Equity	$2,907,392

Permanent Financing

Source	Amount
Citibank - T.E. Bonds	$20,911,837
Deferred Developer Fee	$455,436
Tax Credit Equity	$14,536,962
TOTAL	**$35,904,235**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$29,554,600
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$38,420,980
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$1,244,840
Total State Credit:	$4,610,515
Approved Developer Fee (in Project Cost & Eligible Basis):	$3,515,305
Investor/Consultant:	WNC & Associates
Federal Tax Credit Factor:	$0.89000
State Tax Credit Factor:	$0.75000

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$29,554,600
Actual Eligible Basis:	$29,554,600
Unadjusted Threshold Basis Limit:	$53,141,592
Total Adjusted Threshold Basis Limit:	$75,271,676

Adjustments to Basis Limit

Local Development Impact Fees
95% of Upper Floor Units are Elevator-Serviced
55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 30%

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC’s underwriting guidelines and TCAC limitations. Annual operating expenses are below the minimum operating expenses established in the Regulations (See "Significant Information / Additional Conditions" Section below), and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions

The site is currently occupied by four buildings consisting of 8 residential units which are not eligible for state credits. For the proposed project, the 4 buildings will be demolished and replaced with 1 new building consisting of 179 units of restricted affordable housing.

This Project's annual per unit operating expense total is below the TCAC published per unit operating minimums of $5,700. As allowed by TCAC Regulation Section 10327(g)(1), TCAC approves an annual per unit operating expense total of $4,941 on agreement of the permanent lender and equity investor.

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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

AGENDA ITEM 10

Discussion and Consideration of the 2020 Second Round Applications for Reservation of Federal Four Percent (4%) and State Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects.

Conflict Summary
December 21, 2020
CTCAC Committee Meeting

Application Number	Project Name Address City, State Zip Code County	Applicant/Owner Applicant/Owner Contact(s)	General Partner(s) General Partner(s) Contact(s)	Developer(s) Developer(s) Contact(s)	Seller(s) Signatory of Seller(s)	Bond Issuer	Credit Enhancement Provider	Lender(s) (First Lender is Primary Construction Lender)
CA-20-911	West Carson Villas 22801 S. Vermont Avenue Torrance, CA 90502 Los Angeles County	WCV MGP, LLC AJ Azara	WCV MGP, LLC AJ Azara	PATH Ventures AJ Azara	Eldon R Griffis, Jr & Vicki Thompson Eldon R Griffis, Jr & Vicki Thompson	LACDA	N/A	Chase Bank LACDA HCD MHP

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2020 Second Round
December 21, 2020

West Carson Villas, located at 22801-22905 South Vermont Avenue in Torrance, requested and is being recommended for a reservation of $2,011,361 in annual federal tax credits and $8,070,015 in total state tax credits to finance the new construction of 110 units of housing serving special needs tenants with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by PATH Ventures and will be located in Senate District 35 and Assembly District 66.

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 MHP program of HCD.

Project Number CA-20-911

Project Name West Carson Villas
Site Address: 22801-22905 South Vermont Avenue
Torrance, CA 90502 County: Los Angeles
Census Tract: 5436.020

Tax Credit Amounts	**Federal/Annual**	**State/Total** *
Requested:	$2,011,361	$8,070,015
Recommended:	$2,011,361	$8,070,015

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Applicant Information

Applicant:	WCV MGP, LLC
Contact:	AJ Azara
Address:	340 North Madison Avenue Los Angeles, CA 90004
Phone:	323-644-2291
Email:	ajazara@pathventures.org

General Partner(s) / Principal Owner(s):	WCV MGP, LLC
General Partner Type:	Nonprofit
Developer:	PATH Ventures
Investor/Consultant:	California Housing Partnership Corporation
Management Agent:	The John Stewart Company

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	111
No. / % of Low Income Units:	110 100%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Project-based Vouchers (75 Units - 68%)

Bond Information

Issuer:	Los Angeles County Development Authority
Expected Date of Issuance:	03/01/21

Information

Housing Type: Special Needs
Type of Special Needs: Homeless
Average Targeted Affordability of Special Needs/SRO Project Units: 30.00%
% of Special Need Units: 63 units 57%
Geographic Area: Balance of Los Angeles County
TCAC Project Analyst: Franklin Cui

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
At or Below 35% AMI:	63	55%
At or Below 45% AMI:	12	10%
At or Below 80% AMI:	35	30%

Unit Mix

47	1-Bedroom Units
52	2-Bedroom Units
12	3-Bedroom Units
111	Total Units

Unit Type & Number		2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
5	1 Bedroom	30%	15%	$316
2	2 Bedrooms	30%	15%	$379
23	1 Bedroom	30%	20%	$422
12	2 Bedrooms	30%	20%	$507
1	3 Bedrooms	30%	20%	$585
9	1 Bedroom	30%	30%	$633
9	2 Bedrooms	30%	30%	$760
2	3 Bedrooms	30%	30%	$878
3	1 Bedroom	40%	40%	$845
7	2 Bedrooms	40%	40%	$1,014
2	3 Bedrooms	40%	40%	$1,171
2	1 Bedroom	60%	46%	$979
6	2 Bedrooms	60%	46%	$1,175
1	3 Bedrooms	60%	46%	$1,357
5	1 Bedroom	60%	56%	$1,175
15	2 bedrooms	60%	56%	$1,410
6	3 Bedrooms	60%	56%	$1,629
1	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$9,306,969
Construction Costs	$43,915,306
Rehabilitation Costs	$0
Contingency Costs	$3,712,255
Relocation	$0
Architectural/Engineering	$2,314,950
Const. Interest, Perm. Financing	$4,845,650
Legal Fees	$193,000
Reserves	$1,170,653
Other Costs	$2,478,228
Developer Fee	$7,384,769
Commercial Costs	$0
Total	**$75,321,780**

Residential

Construction Cost Per Square Foot:	$361
Per Unit Cost:	$678,575
True Cash Per Unit Cost*:	$666,563

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Chase - Tax Exempt Bonds	$42,184,000	Chase	$10,712,000
Chase -Taxable Loan	$9,114,766	HCD MHP	$20,000,000
LA County Development Authority	$13,950,000	LACDA	$14,000,000
LA County Public Works Fee Waiver	$333,323	LA County Public Works Fee Wai	$333,323
Deferred Costs	$2,468,663	Deferred Developer Fee	$1,000,000
Deferred Developer Fee	$1,000,000	Contributed Developer Fee	$3,884,769
Contributed Developer Fee	$3,884,769	General Partner Equity	$100
General Partner Equity	$100	Tax Credit Equity	$25,391,588
Tax Credit Equity	$2,386,159	**TOTAL**	**$75,321,780**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$62,079,030
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	$62,079,030
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	$2,011,361
Total State Credit:	$8,070,015
Approved Developer Fee (in Project Cost & Eligible Basis):	$7,384,769
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	$0.94143
State Tax Credit Factor:	$0.80000

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.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$62,079,030
Actual Eligible Basis:	$62,079,030
Unadjusted Threshold Basis Limit:	$43,379,784
Total Adjusted Threshold Basis Limit:	$113,825,705

Adjustments to Basis Limit:

Required to Pay State or Federal Prevailing Wages/Financed by labor-affiliated organization employing construction workers paid at least state or federal prevailing wages
Parking Beneath Residential Units or On-Site Parking Structure of Two or More Levels
Local Development Impact Fees
95% of Upper Floor Units are Elevator-Serviced
55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 10%
55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targetedat 35% AMI or Below: 114%

Tie-Breaker Information

Final: **77.800%**

Cost Analysis and Line Item Review

Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations. Annual operating expenses meet or exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff has calculated federal tax credits based on 3.24% of the qualified basis. Applicants are cautioned to consider the expected federal rate when negotiating with investors. TCAC's financial evaluation at project completion will determine the final allocation.

Significant Information / Additional Conditions: None

Resyndication and Resyndication Transfer Event: None

Legal Status

Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

Local Reviewing Agency

The Local Reviewing Agency, the Los Angeles County Development Authority, has completed a site review of this project and strongly supports this project.

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.

The applicant must submit all documentation required for any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation.

TCAC 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 TCAC.

The applicant must pay TCAC a performance deposit and reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by TCAC 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 TCAC 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 points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. 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.

CDLAC Additional Conditions
The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	**9**	**9**	**9**
General Partner Experience	6	6	6
Management Experience	3	3	3
Housing Needs	**10**	**10**	**10**
Site Amenities	**15**	**15**	**15**
Within ⅓ mile of transit (van or dial-a-ride service for rural set-aside)	4	4	4
Within ¾ mile of public park or community center open to general public	2	2	2
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of medical clinic or hospital	2	2	2
Within ½ mile of a pharmacy	2	2	2
Service Amenities	**10**	**10**	**10**
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Other Services Specialist, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
SPECIAL NEEDS HOUSING TYPE			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Lowest Income	**32**	**32**	**32**
Basic Targeting	30	30	30
Deeper Targeting – at least 10% of units @ 30% AMI or less	2	2	2
Readiness to Proceed	**10**	**10**	**10**
Total Points	**86**	**86**	**86**

<u>Please Note:</u> 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.

AGENDA ITEM 11

Presentation on HCD's Disaster Recovery
Action Plan

2017 & 2018 Community Development Block Grant – Disaster Recovery (CDBG-DR)

Multifamily Housing Program

TCAC Board Meeting
December 21, 2020

Agenda

1. CDBG-DR Overview
2. Disaster Recovery Multifamily Housing Program (DR-MHP)
3. 2017 DR-MHP: Status and Next Steps
4. 2018 DR-MHP: Status and Next Steps
5. Questions

CDBG-DR Overview

CDBG-Disaster Recovery

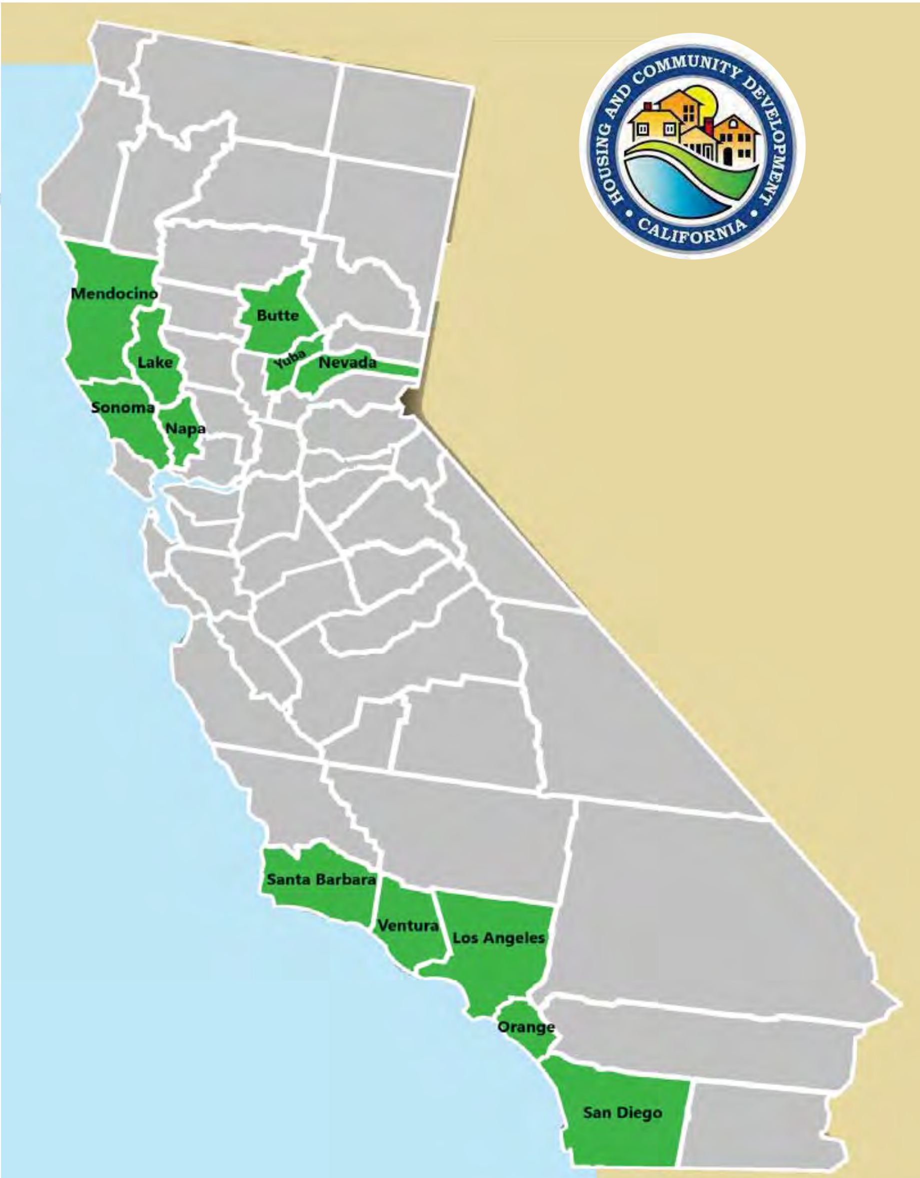
- The Community Development Block Grant Disaster Recovery (CDBG-DR):
  - Special appropriation by Congress.
  - Tied to specific Presidentially-declared disaster(s).
  - Intended to close gaps for long-term recovery.
  - Can not replace or supplant existing resources (Duplication of Benefits).

CDBG-DR Grant Requirements

- 70% of funds must be spent on low-and moderate-income (LMI) persons.
- 80% of funds most be spent in HUD-designated Most Impacted and Distressed areas.
- 6-year expenditure deadline.
- Funding is subject to Federal Register Notice requirements for the specific appropriation.

Current CA Allocations

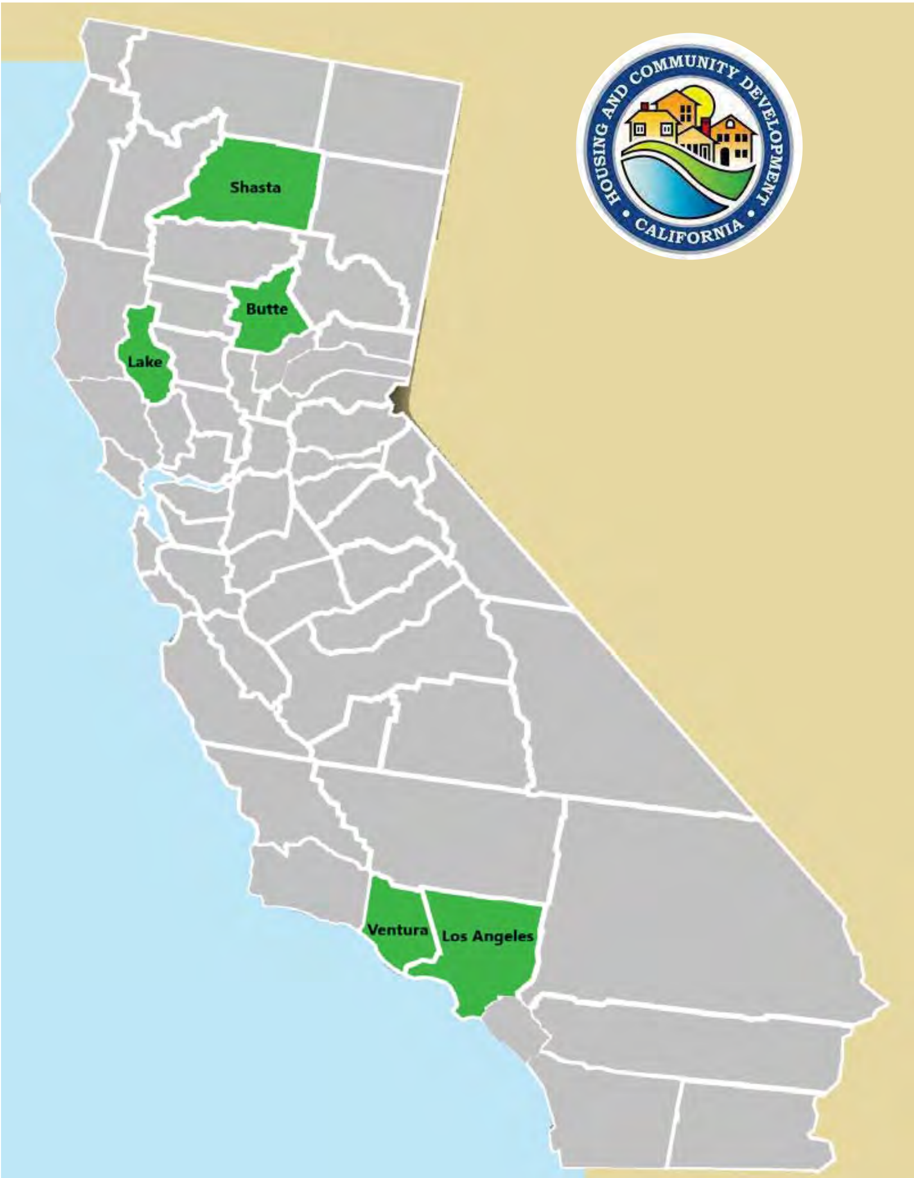
Grant	Amount
2017 CDBG-DR	$162,212,527
2017 CDBG-Mitigation	$88,219,000
2018 CDBG-DR (includes Mitigation)	$1,017,399,000
TOTAL	**$1,267,830,527**



2017 Disasters and Impacted Areas

- Federally declared disasters 4344 and 4353

- Eligible areas **Butte, Lake, Los Angeles, Mendocino, Napa, Nevada, Orange, Santa Barbara, San Diego, Sonoma, Ventura, and Yuba counties**



2018 Disasters and Impacted Areas

- Federally declared disasters 4407 and 4382
- Eligible areas **Butte, Lake, Los Angeles, Shasta, and Ventura counties**

CDBG Disaster Recovery Multifamily Housing Program (DR-MHP)

DR-MHP Key Policies & Procedures

- **Project Eligibility**
  - Minimum of 8 units (DR-18 will include small rental)
  - Affordable Units: 4 units or 30% of total units, whichever is greater
  - Meets one of the Project Priority Criteria by providing:
    - Deep Affordability (30% AMI and below)
    - Greater ratio of affordable units to total units (51% of units are affordable)
    - Permanent supportive housing (PSH) units
    - Senior units
    - Units for people with disabilities
    - Units for low-income immigrants
  - Meets one of the HCD Project types
    - 1) Large Family, 2) Special Needs, 3) Seniors, 4) Supportive Housing, and 5) At High Risk
  - Tieback: Project must add affordable units to the jurisdiction's housing stock

DR-MHP Key Policies & Procedures

- **Funding Restrictions**
  - Gap funds only:
    - Up to 40% of Total Development Costs
    - Maximum HOME per unit Subsidy Limits
  - Maximum Affordable Rent = High HOME program Rents
  - DR-MHP funds are only used for LMI unit(s) costs

DR-MHP Implementation Process

HUD	
HCD	Grant & Program Development & Oversight
Subrecipients	Program Implementation, Monitoring & Oversight
Developers	Multifamily Development & Project Implementation

2017 CDBG Disaster Recovery Multifamily Housing Program (DR-MHP) Timeline and Next Steps

2017 DR-MHP Status

Subrecipient	Total Allocation	Agreements in Process	Published NOFA
Sonoma County	$4,698,809		
City of Santa Rosa	$38,469,772	X	11/3/20
Ventura County	$2,756,047	X	11/3/20
City of Ventura	$4,601,064		
Mendocino County	$6,591,778	X	
Yuba County	$1,666,091	X	
Napa County	$420,094		
City of Napa	$2,889,774	X	
City of Clearlake	$1,157,983		
Santa Barbara County	$588,504	X	9/4/20
City of Santa Barbara	$848,011	X	11/16/20
Butte County	$679,013	X	
Los Angeles County	$590,987		
Nevada County	$424,028		
San Diego County	$405,845		

2017 DR-MHP Timeline

Action	Date
Final Date to Submit Project Applications	*December 31, 2021*
HCD Reallocation of Unused Funds	*January 2022*
Final Date for HCD to issue Notice(s) to Proceed	*December 31, 2022*
Final Date to Submit Certificate of Occupancy for all Projects	*January 31, 2025*
HCD-HUD Grant Closeout	*August 2025*

2017 DR-MHP Next Steps

- Subrecipients will underwrite and select projects for submission to HCD
- HCD will review projects for program eligibility and feasibility
  - **Conditional Commitment:** HCD approval of projects conditioned on securing a tax credit award and other funding sources, and/or the completion of an environmental assessment
  - **Notice to Proceed:** HCD approval of projects with documented funding commitments and completed environmental assessment

2018 CDBG Disaster Recovery Multifamily Housing Program (DR-MHP) Timeline and Next Steps

2018 DR-MHP Timeline

Action	Date
HUD approved HCD Action Plan	*October 2020*
Executed HUD Grant Agreement	*December 2020*
Publish Policies and Procedures (8 units+)	*January 2021*
Open Due Diligence	*January 2021*
Execute Agreements with Subrecipients	*March 2021*
Publish Small Rental Policies and Procedures	*March 2021*

2018 DR-MHP Next Steps

- Prepare for due diligence
  - Anticipated implementation milestones
  - Draft local policies/procedures
  - County Board/City Council resolution for allocation
  - Activity Delivery Budget
- Draft local project solicitation for HCD review
- Build on existing recovery planning efforts including infrastructure

Questions?

AGENDA ITEM 12

Public Comment

AGENDA ITEM 13

Adjournment