



California Tax Credit Allocation Committee

**CTCAC**  
**Committee Meeting**  
**Wednesday, December 22, 2021**  
**9:15 AM or Upon Adjournment**  
**of the CDLAC Meeting**



# CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

915 Capitol Mall, Suite 311  
Sacramento, CA 95814  
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www.treasurer.ca.gov/ctcac

## MEETING NOTICE AGENDA

MEETING DATE:  
**December 22, 2021**

TIME:  
**9:15 AM or Upon Adjournment  
of the CDLAC Meeting**

LOCATION:  
**915 Capitol Mall, Room 587  
Sacramento, CA 95814**

BOARD MEMBERS (voting)  
FIONA MA, CPA, CHAIR  
State Treasurer

BETTY YEE  
State Controller

KEELY MARTIN BOSLER  
Director of Finance

GUSTAVO VELASQUEZ  
Director of HCD

TIENA JOHNSON HALL  
Executive Director of CalHFA

DIRECTOR  
NANCEE ROBLES  
Executive Director

**Public Participation Call-In Number\***  
**(888) 557-8511**  
**Participant Code:**  
**5651115**

**Zoom Meeting ID\***  
**872 6263 7407**  
**Passcode:**  
**426444**

The Committee may take action on any item.  
Items may be taken out of order.

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

### 1. Call to Order and Roll Call

*Action Item:*

### 2. Approval of the Minutes of the December 8, 2021 Meeting

### 3. Executive Director's Report

*Presented by: Nancee Robles*

*Action Item:*

### 4. Recommendation for Reservation of 2021 Federal Four Percent (4%) Low Income Housing Tax Credits (LIHTCs) or Reservation of 2021 Federal 4% and State LIHTCs for Tax-Exempt Bond Financed Projects

*Presented by: Anthony Zeto*

<u>Project #</u>	<u>Project Name</u>	<u>Project #</u>	<u>Project Name</u>
CA-21-710	Alvarado Creek Apartments	CA-21-730	4995 Stockton Boulevard
CA-21-713	Redwood Glen Apartments	CA-21-747	Sugar Pine Village Phase 1A
CA-21-726	Aviara	CA-21-767	Villa St. Joseph



## CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

*Action Item:* **5. Discussion and Consideration of Remaining 2021 State Low Income Housing Tax Credits (LIHTCs) Reservation for a Tax-Exempt Bond Financed Project**

*Presented by: Anthony Zeto*

<u>Project #</u>	<u>Project Name</u>
CA-21-680	Terracina at Whitney Ranch

*Action Item:* **6. Discussion of State Low Income Housing Tax Credits Distribution for Tax-Exempt Bond Financed Projects in 2022**

*Presented by: Anthony Zeto*

**7. Public Comment**

**8. Adjournment**

**FOR ADDITIONAL INFORMATION**

Nancee Robles, 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](http://www.treasurer.ca.gov/ctcac)

\* Interested members of the public may use this number or Zoom information to call in to listen to and/or comment on items before the California Tax Credit Allocation Committee. Additional instructions will be provided to participants once they call the indicated number or join via Zoom. This call-in number and Zoom information are 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 Tracy Sullivan of CTCAC no later than five calendar days before the meeting at (916) 653-1065 and Telecommunication Device for the Deaf (TDD) at (916) 654-9922.



California Tax Credit Allocation Committee

## **AGENDA ITEM 2**

# **Approval of the Minutes of the December 8, 2021 Meeting**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Minutes of the December 8, 2021 Meeting**

**1. Call to Order and 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 3:33 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 Tiena Johnson Hall and California Department of Housing and Community Development (HCD) Director Gustavo Velasquez.

City Representative Vivian Moreno and County Representative Terra Lawson-Remer were absent.

**2. Approval of the Minutes of the November 17, 2021 Meeting**

**MOTION:** Mr. Sertich moved to approve the November 17, 2021 Meeting Minutes. Ms. Johnson Hall seconded, and the motion passed unanimously via a roll call vote.

**3. Executive Director's Report**

CTCAC Executive Director, Nancee Robles stated she has not taken any action since the last CTCAC meeting.

- End of Executive Director's Report

**4. Recommendation for Reservation of 2021 Federal Four Percent (4%) Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects**

Mr. Zeto stated 26 projects were being recommended for federal 4% tax credits. He explained the 26 projects being recommended did not include Washington Arts Collective (CA-21-687) since the project received a supplemental bond allocation at the preceding California Debt Limit Allocation Committee (CDLAC) meeting and already received tax credits at a previous CTCAC meeting. Mr. Zeto recommended the 26 projects to the Committee for approval.

**MOTION:** Mr. Sertich moved to approve staff's recommendation which excludes the Washington Arts Collective project (CA-21-687). Mr. Velasquez seconded, and the motion passed unanimously via a roll call vote.

**5. Recommendation for Reservation of 2021 Federal Four Percent (4%) and State Low Income Housing Tax Credits (LIHTCs) for Tax-Exempt Bond Financed Projects**

Mr. Zeto stated the projects listed under Item 5 requested federal 4% and state tax credits. He explained that a total of 30 projects of the 33 projects listed were being recommended federal 4% tax credits. Of the 30 projects, Mr. Zeto stated 17 were also being recommended state tax credits.

Mr. Zeto stated Pleasant Grove Apartments (CA-21-696) and Poppy Grove II (CA-21-704) withdrew their applications and were no longer being recommended. In addition, he explained Monamas Terrace Apartments (CA-21-763) was not being recommended by staff because the project did not receive a bond allocation at the preceding CDLAC meeting.

Mr. Zeto listed the 13 projects recommended federal 4% tax credits only:

- CA-21-672 / Vitalia Apartments
- CA-21-674 / Alvarado Gardens
- CA-21-680 / Terracina at Whitney Ranch
- CA-21-685 / 2400 Long Beach
- CA-21-686 / 308 Sango
- CA-21-693 / Vendra Gardens
- CA-21-711 / The Lyla
- CA-21-714 / Residency at the Entrepreneur Hollywood
- CA-21-740 / Gerald Ford Apartments
- CA-21-741 / Miramar Development
- CA-21-745 / Juniper Valley Townhomes
- CA-21-749 / Sunrise Crossing Apartments
- CA-21-753 / Hayden Parkway Apartments

Mr. Zeto listed the 17 projects recommended federal 4% and state tax credits:

- CA-21-673 / Woodward Family Apartments
- CA-21-677 / Noble Creek Apartments
- CA-21-681 / The Phoenix
- CA-21-682 / Poppy Grove I
- CA-21-702 / Bear Ridge Family Apartments
- CA-21-705 / Poppy Grove III
- CA-21-723 / Alamo Street Apartments
- CA-21-724 / Manchester Urban Homes
- CA-21-729 / Marina Dunes BMR Site 1 and Site 2
- CA-21-735 / Northstar Courts
- CA-21-737 / Tiburon Place
- CA-21-739 / Villa Oakland
- CA-21-742 / Royal Oak Village
- CA-21-754 / 2nd & B
- CA-21-759 / QCK Apartments
- CA-21-766 / Whittier HHH
- CA-21-771 / Southside Senior Housing

Mr. Sertich asked how many state tax credits would remain following these awards.

Mr. Zeto estimated the amount of state tax credits to be approximately \$2 million when accounting for the projects added to the CDLAC list.

Mr. Sertich asked if the remaining state tax credits would roll over to next year.

Mr. Zeto confirmed the state tax credits would be added to next year's amount.

Caleb Roope with the Pacific Companies asked what would happen to state tax credits returned prior to the end of the year.

Mr. Zeto stated that any returned state tax credits prior to the end of the year could go to the highest rank project approved a CDLAC bond allocation but questioned if it would require Committee approval.

Mr. Sertich responded stating it is not expected projects would return any state tax credits. He explained it could result in projects returning bond allocation. Mr. Sertich added any returned state tax credits should roll over to next year to ensure no bond allocations are returned at the end of the year.

Yusef Freeman with Jonathan Rose Companies asked if there was any opportunity for the projects not receiving state tax credits to receive a forward allocation or a supplemental application to allow them to apply for state tax credits in 2022 while keeping their bond allocation and meeting the 180-day deadline.

Mr. Sertich stated the project could come back and re-apply for bond allocation and state tax credits in the first round next year. He explained there was nothing in the regulations that would allow for forward allocation or a separate state tax credit competition.

Stephan Daues with Mercy Housing wanted confirmation on the remaining state tax credits and inquired about his project.

Mr. Zeto confirmed his project, 4995 Stockton Boulevard (CA-21-730), will be considered for a reservation of state tax credits at the next CTCAC meeting on December 22, 2021.

Darren Bobrowsky with USA Properties Fund asked for clarification on Terracina at Whitney Ranch (CA-21-680). He stated Mr. Zeto listed the project as not being recommended state tax credits, which was in conflict with the staff report received. Mr. Bobrowsky noted his project was the highest ranked project in the geographic region and asked for clarification on whether his project is or is not receiving state tax credits.

Mr. Zeto confirmed that at the time staff sent out the staff report, the project was recommended state tax credits. However, he explained the results at the CDLAC meeting affected the availability of state tax credits and based on the process approved by the Committee at the October 20, 2021 CTCAC meeting, the state tax credits were exhausted in the set asides and no projects in the geographic regions were recommended state tax credits.

Given there were approximately \$2.3 million in state tax credits available and his project requested approximately \$2.7 million, Mr. Bobrowsky asked if there was an opportunity for his project to receive the remaining state tax credits to fill a smaller gap.

Mr. Zeto did not believe the CTCAC regulations permitted partially funded projects.

Mr. Sertich asked staff to add this to the meeting agenda for the next CTCAC meeting on December 22, 2021 to discuss this.

Mr. Bobrowsky did not believe the CTCAC regulations prohibited this.

Michael Limb with Newport Partners asked when CTCAC would be considering the projects added to the CDLAC list and ultimately approved at the preceding CDLAC meeting for a tax credit award.

Mr. Zeto confirmed the six (6) projects awarded CDLAC bond allocations, but not listed on the CTCAC meeting notice will be considered for tax credits at the December 22, 2021 meeting.

Laura Billows asked if Poppy Grove II (CA-21-704)), removed from the CDLAC list, still qualified for state tax credits.

Mr. Zeto confirmed that Poppy Grove II (CA-21-704) withdrew their application prior to the meeting and no longer recommended for tax credits.

**MOTION:** Mr. Sertich moved to approve the 17 projects for both federal 4% and state tax credits. Ms. Miller seconded, and the motion passed unanimously via a roll call vote.

**MOTION:** Mr. Sertich moved to approve the 13 projects for federal 4% tax credits only. Treasurer Ma seconded, and the motion passed unanimously via a roll call vote.

## **6. Recommendation of a Resolution to Adopt a Proposed TCAC/HCD Opportunity Area Map for 2022**

Mr. Zeto stated CTCAC and HCD published the draft 2022 Opportunity Maps on November 4, 2021 with a public comment period that concluded on November 18, 2021. While working jointly with the California Fair Housing Task Force (Task Force), he explained that CTCAC and HCD only proposed a couple minor changes to the methodology. Mr. Zeto noted the eight (8) comments received during the public comment period were not to the proposed changes, but rather to items commenters believe should be incorporated into the methodology, including but not limited to, high quality transit proximity and environmental hazards such as wildfires. Following discussion with the Task Force, it was determined that the suggested changes would take significant effort to implement for 2022, though will be considered next year. Staff recommended for Committee approval a resolution to adopt the proposed TCAC/HCD Opportunity Area Map for 2022.



Mr. Velasquez stated the topic of Affirmatively Furthering Fair Housing (AFFH) has been a point of debate at many meetings in terms of striking a balance. He explained the relationship to quality of life and access to opportunity. Mr. Velasquez noted families and people in these neighborhoods may not agree with how scholars and researchers define high opportunity. As the methodology continues to be refined, he believes 2022 is a year to take a much deeper dive to strike a better balance between highest, high and moderate resource areas. Mr. Velasquez suggested engaging the Task Force and others in further analyzing how to strike that balance and should be in places with meaningful community investment and community activities. He added that neighborhoods with cultural specific amenities, places where people desire to live, locations that offer benefits for non-families, homeless, young adult and senior populations, and areas where existing low cost and affordable housing opportunities are disappearing due to gentrification should be considered for the opportunity maps moving forward.

Treasurer Ma asked Mr. Velasquez how Regional Housing Needs Allocation (RHNA) numbers relate to the opportunity maps.

Mr. Velasquez explained every jurisdiction has RHNA goals to ensure that jurisdictions are contemplating communities where they dismantle segregation and build in more balance high opportunity and moderate opportunity areas. He added the AHFF goals should align with the process the jurisdictions are undertaking on their housing elements.

Treasurer Ma asked if the housing elements are changed annually.

Mr. Velasquez explained these are long-term plans by the jurisdictions and are flexible. Once the plan is submitted and approved, he stated the plan is meant to meet the RHNA goals for the upcoming cycle, which is many years. Mr. Velasquez added that jurisdictions provide annual progress reports on how they are meeting the RHNA goals.

Treasurer Ma stated it may be beneficial to see which jurisdictions are under performing when considering the CDLAC pools and allocations to see which pools or regions need assistance to reach their goals.

Mr. Velasquez suggested providing a presentation in the spring next year on the progress jurisdictions are making towards their RHNA goals.

**MOTION:** Mr. Sertich moved to approve the TCAC/HCD Opportunity Area Map for 2022. Mr. Velasquez seconded, and the motion passed unanimously via a roll call vote.

## **7. Presentation of Strategic Plan by Sjoberg Evashenk**

George Skiles with Sjoberg Evashenk provided a presentation on the status of the strategic plan.

Mr. Skiles summarized the objective of the strategic plan and how to respond to the concerns raised in the California State Auditor report released in November 2020 as well as other opportunities to better align CDLAC and CTCAC staffing resources. He shared the methodology, which included interviews with staff, mapping out business processes

and organizational structures to get an understanding of the internal workings of the two agencies. Mr. Skiles indicated they were about 70% complete with their work and the two agencies were poised to be better aligned based on work the last year but noted there was still room for improvement. He explained four (4) key problems that will provide a centerpiece of the strategic plan and summarized them below:

Problem #1:

- Despite the parallels in programs and workflows, the efforts of CDLAC and CTCAC remain disjointed and siloed
- CDLAC and CTCAC regulations are not always in sync
- CDLAC and CTCAC staff resources are not aligned
- Recommendation: Establish a one-stop shop to consolidate CDLAC into CTCAC

Problem #2:

- CDLAC and CTCAC utilize outdated information technology (IT) that does not meet current needs
- Recommendation: CDLAC and CTCAC should implement a comprehensive IT overhaul

Problem #3:

- High turnover and sustained vacancies at CDLAC and CTCAC in addition to work space for additional staff
- Recommendation: More flexible remote work policies and potential opening of a Southern California office for Compliance Section positions

Problem #4:

- Business processes are generally well aligned but dependent on individuals who perform specific tasks where if that staff person left the organization, so goes the institutional knowledge without providing a sound foundation for new staff to come in and take over the work
- Recommendation: Strong process and procedures are put into place to address staff turnover and not dependent on the individuals

The presentation slides are available on the CTCAC website at:

<https://www.treasurer.ca.gov/ctcac/meeting/2021/20211208/Presentation.pptx>

## **8. Public Comment**

There was no public comment.

## **9. Adjournment**

Treasurer Ma adjourned the meeting at 4:15 p.m.



California Tax Credit Allocation Committee

**AGENDA ITEM 3**  
**Executive Director's Report**  
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California Tax Credit Allocation Committee

## **AGENDA ITEM 4**

**Recommendation for Reservation of 2021  
Federal Four Percent (4%) Low Income  
Housing Tax Credits (LIHTCs) or  
Reservation of 2021 Federal 4% and State  
LIHTCs for Tax-Exempt Bond Financed  
Projects**

Project Name Application Number	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-21-710	Alvarado Creek Apartments 5901-5913, 5915 & 5927 Mission Gorge Road San Diego, CA 92120 San Diego County	Central Valley Coalition for Affordable Housing, a California Nonprofit Public Benefit Corporation Christina Alley	TPC Holdings IX, LLC Caleb Roope Central Valley Coalition for Affordable Housing Christina Alley	Pacific West Communities, Inc. Caleb Roope	Pacific West Communities, Inc. Caleb Roope	California Municipal Finance Authority	No	Citibank Bonneville City of San Diego
CA-21-713	Redwood Glen Apartments 8550-8560 Old Redwood Highway Windsor, CA 95401	JCL GP LLC Michael Limb	JCL GP LLC Michael Limb Spectrum GP LLC Tony Palaigos	JCL Development, LLC Michael Limb	L&B Investments, LLC Jong C. Limb	California Municipal Finance Authority	No	Citibank
CA-21-726	Aviara 1385 West College Avenue Santa Rosa, CA 95401 Sonoma County	Pacific Southwest Community Development Corporation, on behalf of MM Aviara, L.P. Robert W. Laing	Pacific Southwest Community Development Corporation Robert W. Laing McKellar McGowan Holdings, LLC Chris McKellar	McKellar McGowan Holdings, LLC Jeff E. Johnson	W. College Apartments, LLC Chris McKellar	California Municipal Finance Authority	No	Citi Community Capital
CA-21-730	4995 Stockton Boulevard 4995 Stockton Boulevard Sacramento, CA 95820 Sacramento County	Mercy Housing California Stephan Daues	Mercy Housing California 105 LLC Stephan Daues	Mercy Housing California Stephan Daues	The Jeffrey Dean Ota and Julie K. Ota Living Trust dated January 7, 2004 and Norma W. On, as Trustee of the John L. On and Norma W. On Revocable Trust established August 2, 1991 Jeffrey D. Ota, Julie K. Ota, Norma W. On	California Municipal Finance Authority	No	Wells Fargo SHRA - MIHF CCRC
CA-21-747	Sugar Pine Village Phase 1A 1860 Lake Tahoe Blvd. & 1029 Tata Lane South Lake Tahoe, CA 96150 El Dorado County	Sugar Pine Housing Partners, L.P. Ann Silverberg	Related/Sugar Pine Development Co., LLC Ann Silverberg St. Joseph Sugar Pine Village LLC Jean Diaz	Related Irvine Development Company, LLC Ann Silverberg	State of California Megan Kirkeby	California Municipal Finance Authority	No	US Bank HCD- MHP,IIG City of South Lake Tahoe
CA-21-767	Villa St. Joseph 480 South Batavia Street Orange, CA 92868 Orange County	Mercy Housing California Maury Ruano	Mercy Housing California 107, LLC Maury Ruano	Mercy Housing California Maury Ruano	St. Joseph College of Orange Sr. Jayne Helmlinger	California Municipal Finance Authority	No	Wells Fargo Bank St. Joseph College of Orange CalHFA SNHP HCD-NPLH OCHCD

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**Tax-Exempt Bond Project**  
**December 22, 2021**

Redwood Glen Apartments, located at 8550-8560 Old Redwood Highway in Windsor, requested and is being recommended for a reservation of \$821,199 in annual federal tax credits to finance the new construction of 42 units of housing serving large families with rents affordable to households earning 30-70% of area median income (AMI). The project will be developed by JCL Development, LLC and will be located in Senate District 2 and Assembly District 2.

**Project Number** CA-21-713

**Project Name** Redwood Glen Apartments  
**Site Address:** 8550-8560 Old Redwood Highway  
Windsor, CA 95492 County: Sonoma  
**Census Tract:** 1538.06

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$821,199	\$0
Recommended:	\$821,199	\$0

**Applicant Information**

**Applicant:** JCL GP LLC  
**Contact:** Michael Limb  
**Address:** 9 Cushing, Suite 200  
Irvine, CA 92618  
**Phone:** 949-923-7800  
**Email:** mlimb@newportpartners.com

**General Partner(s) or Principal Owner(s):** JCL GP LLC  
Spectrum GP LLC

**General Partner Type:** Joint Venture

**Parent Company(ies):** JCL Development, LLC  
Spectrum Affordable Housing Corporation

**Developer:** JCL Development, LLC

**Bond Issuer:** California Municipal Finance Authority

**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% Average Income

**Federal Subsidy:** Tax-Exempt

**Information**

Housing Type: Large Family  
 Geographic Area: Northern Region  
 TCAC Project Analyst: Tiffani Negrete

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 5	12%
50% AMI: 5	12%
60% AMI: 14	33%
70% AMI: 18	43%

**Unit Mix**

1 1-Bedroom Units
5 2-Bedroom Units
<u>37 3-Bedroom Units</u>
43 Total Units

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 1 Bedroom	30%	\$654
1 2 Bedrooms	30%	\$785
2 2 Bedrooms	50%	\$1,308
1 2 Bedrooms	60%	\$1,570
3 3 Bedrooms	30%	\$907
3 3 Bedrooms	50%	\$1,512
13 3 Bedrooms	60%	\$1,815
18 3 Bedrooms	70%	\$2,117
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,070,000
Construction Costs	\$9,550,823
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$485,041
Soft Cost Contingency	\$49,380
Relocation	\$0
Architectural/Engineering	\$740,000
Const. Interest, Perm. Financing	\$956,046
Legal Fees	\$115,000
Reserves	\$182,417
Other Costs	\$2,097,750
Developer Fee	\$2,059,864
Commercial Costs	\$0
<b>Total</b>	<b>\$17,306,320</b>

**Residential**

Construction Cost Per Square Foot:	\$216
Per Unit Cost:	\$402,473
True Cash Per Unit Cost*:	\$368,654

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citibank - T.E. Bonds	\$9,191,759	Citibank - T.E. Bonds	\$8,707,683
Citibank - Recycled Bonds	\$1,750,000	Deferred Developer Fee	\$1,454,206
Citibank - Taxable Loan	\$2,800,000	Tax Credit Equity	\$7,144,431
Deferred Developer Fee	\$2,135,676	<b>TOTAL</b>	<b>\$17,306,320</b>
Tax Credit Equity	\$1,428,886		

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$15,792,288
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$20,529,975
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$821,199
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,059,864
Investor/Consultant:	Alliant Capital
Federal Tax Credit Factor:	\$0.87000

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.

**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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by 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 22, 2021**

Aviara, located at 1385 West College Avenue in Santa Rosa, requested and is being recommended for a reservation of \$2,452,937 in annual federal tax credits to finance the new construction of 135 units of housing serving tenants with rents affordable to households earning 30-70% of area median income (AMI). The project requested \$3,127,997 in state tax credits, but due to the limited availability, is not being recommended any state tax credits. The project will be developed by 1385 West College Avenue and will be located in Senate District 2 and Assembly District 2.

**Project Number** CA-21-726

**Project Name** Aviara  
**Site Address:** 1385 West College Avenue  
 Santa Rosa, CA 95401 County: Sonoma  
**Census Tract:** 1530.01

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,452,937	\$3,127,997
Recommended:	\$2,452,937	\$0

\* The applicant made an election to sell (Certificate) all or any portion of the state credits.

**Applicant Information**

**Applicant:** MM Aviara, L.P.  
 on behalf of MM Aviara, L.P.

**Contact:** Robert W. Laing  
**Address:** 16935 West Bernardo Drive, Suite 238  
 San Diego, CA 92127

**Phone:** 858-675-0506  
**Email:** robertlaing@pswcdc.org

**General Partner(s) or Principal Owner(s):** Pacific Southwest Community Development Corp.  
 Corporation  
 McKellar McGowan Holdings, LLC

**General Partner Type:** Joint Venture

**Parent Company(ies):** Pacific Southwest Community Development Corp.  
 Corporation  
 McKellar McGowan Holdings, LLC

**Developer:** McKellar McGowan Holdings, LLC

**Bond Issuer:** California Municipal Finance Authority

**Investor/Consultant:** Raymond James

**Management Agent:** ConAm Management Corporation

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 6  
 Total # of Units: 136  
 No. / % of Low Income Units: 135 100.00%  
 Federal Set-Aside Elected: 40%/60% Average Income  
 Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Non-Targeted  
 Geographic Area: Northern Region  
 TCAC Project Analyst: Franklin Cui

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 14	10%
50% AMI: 14	10%
60% AMI: 57	42%
70% AMI: 50	37%

**Unit Mix**

84 2-Bedroom Units
52 3-Bedroom Units
136 Total Units

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
8 2 Bedrooms	30%	\$785
8 2 Bedrooms	50%	\$1,308
37 2 Bedrooms	60%	\$1,570
30 2 Bedrooms	70%	\$1,832
6 3 Bedrooms	30%	\$907
6 3 Bedrooms	50%	\$1,512
20 3 Bedrooms	60%	\$1,815
20 3 Bedrooms	70%	\$2,117
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$4,115,000
Construction Costs	\$31,456,768
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,572,838
Soft Cost Contingency	\$402,456
Relocation	\$0
Architectural/Engineering	\$1,197,500
Const. Interest, Perm. Financing	\$3,012,956
Legal Fees	\$207,500
Reserves	\$546,659
Other Costs	\$4,819,629
Developer Fee	\$6,152,851
Commercial Costs	\$0
<b>Total</b>	<b>\$53,484,159</b>

**Residential**

Construction Cost Per Square Foot:	\$278
Per Unit Cost:	\$393,266
True Cash Per Unit Cost*:	\$366,379

**Construction Financing**

Source	Amount
Citi	\$27,564,000
Citi Taxable Bonds	\$13,324,579
Citi Tax-Exempt Recycled Bonds	\$5,000,000
Deferred Costs	\$5,247,831
Tax Credit Equity	\$2,347,748

**Permanent Financing**

Source	Amount
Citi	\$26,350,000
Deferred Developer Fee	\$3,656,676
State Credit Backfill (TBD)	\$2,627,517
Tax Credit Equity	\$20,849,965
<b>TOTAL</b>	<b>\$53,484,159</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$47,171,860
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$61,323,419
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,452,937
Total State Credit:	\$0
Approved Developer Fee (in Project Cost & Eligible Basis):	\$6,152,851
Investor/Consultant:	Raymond James
Federal Tax Credit Factor:	\$0.85000
State Tax Credit Factor:	\$0.84000

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.

**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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by 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 22, 2021**

4495 Stockton Boulevard, located at 4995 Stockton Boulevard in Sacramento, requested and is being recommended for a reservation of \$3,514,339 in annual federal tax credits and \$13,907,016 in total state to finance the new construction of 198 units of housing serving large families with rents affordable to households earning 30-70% of area median income (AMI). The project will be developed by Mercy Housing California and will be located in Senate District 6 and Assembly District 7.

**Project Number** CA-21-730

**Project Name** 4995 Stockton Boulevard  
 Site Address: 4995 Stockton Boulevard  
 Sacramento, CA 95820 County: Sacramento  
 Census Tract: 31.02

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$3,514,339	\$13,907,016
Recommended:	\$3,514,339	\$13,907,016

\* The applicant made an election to sell (Certificate) all or any portion of the state credits.

**Applicant Information**

Applicant: Mercy Housing California  
 Contact: Stephan Daues  
 Address: 1256 Market Street  
 San Francisco, CA 94102  
 Phone: 916-414-4440  
 Email: sdaues@mercyhousing.org

General Partner(s) or Principal Owner(s): Mercy Housing California 105 LLC  
 General Partner Type: Nonprofit  
 Parent Company(ies): Mercy Housing California  
 Developer: Mercy Housing California  
 Bond Issuer: California Municipal Finance Authority  
 Investor/Consultant: California Housing Partnership  
 Management Agent: Mercy Housing Management Group

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 23  
 Total # of Units: 200  
 No. / % of Low Income Units: 198 100.00%  
 Federal Set-Aside Elected: 40%/60% Average Income  
 Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Large Family  
 Geographic Area: Capital Region  
 TCAC Project Analyst: Nick White

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 27	14%
50% AMI: 71	36%
60% AMI: 51	26%
70% AMI: 49	25%

**Unit Mix**

47 1-Bedroom Units
95 2-Bedroom Units
<u>58 3-Bedroom Units</u>
200 Total Units

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
9 1 Bedroom	30%	\$510
9 2 Bedrooms	30%	\$612
9 3 Bedrooms	30%	\$706
10 1 Bedroom	50%	\$850
44 2 Bedrooms	50%	\$1,020
17 3 Bedrooms	50%	\$1,178
15 1 Bedroom	60%	\$1,020
22 2 Bedrooms	60%	\$1,224
14 3 Bedrooms	60%	\$1,413
13 1 Bedroom	70%	\$1,190
18 2 Bedrooms	70%	\$1,428
18 3 Bedrooms	70%	\$1,649
2 2 Bedrooms	Manager's Unit	\$0



**Project Cost Summary at Application**

Land and Acquisition	\$4,717,275
Construction Costs	\$54,072,305
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,712,115
Soft Cost Contingency	\$590,000
Relocation	\$0
Architectural/Engineering	\$2,171,360
Const. Interest, Perm. Financing	\$4,848,407
Legal Fees	\$100,000
Reserves	\$591,569
Other Costs	\$3,586,243
Developer Fee	\$2,500,000
Commercial Costs	\$0
<b>Total</b>	<b>\$75,889,274</b>

**Residential**

Construction Cost Per Square Foot:	\$281
Per Unit Cost:	\$379,446
True Cash Per Unit Cost*:	\$379,446

**Construction Financing**

Source	Amount
Wells Fargo Tax-Exempt	\$39,671,000
Wells Fargo Taxable	\$15,637,187
SHRA Loan	\$4,500,000
SHRA Loan	\$9,000,000
Deferred Interest	\$500,622
Deferred Cost	\$2,458,900
Tax Credit Equity	\$4,121,565

**Permanent Financing**

Source	Amount
CCRC Tax Exempt	\$17,283,000
SHRA Loan	\$5,000,000
SHRA Loan	\$10,000,000
Deferred Interest	\$500,622
Tax Credit Equity	\$43,105,652
<b>TOTAL</b>	<b>\$75,889,274</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$67,583,451
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$87,858,486
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,514,339
Total State Credit:	\$13,907,016
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.89187
State Tax Credit Factor:	\$0.84579

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.

**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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by 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 22, 2021**

Sugar Pine Village Phase 1A, located at 1860 Lake Tahoe Boulevard and 1029 Tata Lane in South Lake Tahoe, requested and is being recommended for a reservation of \$1,509,655 in annual federal tax credits and \$7,154,295 in total state tax credits to finance the new construction of 67 units of housing serving large families with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Related Irvine Development Company, LLC and will be located in Senate District 1 and Assembly District 5.

Sugar Pine Village Phase 1A's project financing includes state funding from the IIG program of HCD.

**Project Number** CA-21-747

**Project Name** Sugar Pine Village Phase 1A  
**Site Address:** 1860 Lake Tahoe Boulevard and 1029 Tata Lane  
 South Lake Tahoe, CA 96150 County: El Dorado  
**Census Tract:** 06-017-0304.02

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$1,509,655	\$7,154,295
Recommended:	\$1,509,655	\$7,154,295 *

\* The applicant made an election to sell (Certificate) all or any portion of the state credits.

**Applicant Information**

**Applicant:** Sugar Pine Housing Partners, L.P.  
**Contact:** Ann Silverberg  
**Address:** 44 Montgomery Street #1300  
 San Francisco, CA 94104  
**Phone:** (415) 677-9000  
**Email:** asilverberg@related.com

**General Partner(s) or Principal Owner(s):** Related/Sugar Pine Development Co., LLC  
 St. Joseph Sugar Pine Village LLC

**General Partner Type:** Joint Venture

**Parent Company(ies):** The Related Companies of California, LLC  
 Saint Joseph Community Land Trust

**Developer:** Related Irvine Development Company, LLC

**Bond Issuer:** California Municipal Finance Authority

**Investor/Consultant:** U.S. Bancorp Community Development Corporation

**Management Agent:** John Stewart Company

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 3  
 Total # of Units: 68  
 No. / % of Low Income Units: 67 100.00%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: None

**Information**

Housing Type: Large Family  
 Geographic Area: Capital Region  
 TCAC Project Analyst: Brett Andersen

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 15	22%
50% AMI: 27	40%
60% AMI: 25	37%

**Unit Mix**

12 SRO/Studio Units
12 1-Bedroom Units
23 2-Bedroom Units
21 3-Bedroom Units
<u>68 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
4 SRO/Studio	30%	\$476
5 SRO/Studio	50%	\$793
3 SRO/Studio	60%	\$952
3 1 Bedroom	30%	\$510
6 1 Bedroom	50%	\$850
3 1 Bedroom	60%	\$1,020
4 2 Bedrooms	30%	\$612
8 2 Bedrooms	50%	\$1,020
11 2 Bedrooms	60%	\$1,224
4 3 Bedrooms	30%	\$706
8 3 Bedrooms	50%	\$1,178
8 3 Bedrooms	60%	\$1,414
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$0
Construction Costs	\$26,753,197
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,698,887
Soft Cost Contingency	\$923,715
Relocation	\$0
Architectural/Engineering	\$1,338,947
Const. Interest, Perm. Financing	\$3,164,302
Legal Fees	\$241,400
Reserves	\$195,785
Other Costs	\$1,920,338
Developer Fee	\$2,700,000
Commercial Costs	\$0
<b>Total</b>	<b>\$39,936,571</b>

**Residential**

Construction Cost Per Square Foot:	\$405
Per Unit Cost:	\$587,303
True Cash Per Unit Cost*:	\$579,950

**Construction Financing**

Source	Amount
US Bank - Tax Exempt	\$20,757,762
US Bank - Taxable	\$14,779,985
South Lake Tahoe RDA	\$566,629
City of South Lake Tahoe Coverage	\$254,487
Deferred Developer Fee	\$500,000
Tax Credit Equity	\$3,077,708

**Permanent Financing**

Source	Amount
US Bank	\$2,774,000
HCD - MHP	\$12,127,500
South Lake Tahoe RDA	\$566,629
South Lake Tahoe	\$254,487
Sponsor Loan - HCD IIG	\$3,195,900
Deferred Developer Fee	\$500,000
Tax Credit Equity	\$20,518,055
<b>TOTAL</b>	<b>\$39,936,571</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$37,741,386
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$37,741,386
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,509,655
Total State Credit:	\$7,154,295
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,700,000
Investor/Consultant:	U.S. Bancorp Community Development Corporation
Federal Tax Credit Factor:	\$0.98000
State Tax Credit Factor:	\$0.80000

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.

**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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by 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 22, 2021**

Villa St. Joseph, located at 480 South Batavia Street in Orange, requested and is being recommended for a reservation of \$1,383,528 in annual federal tax credits to finance the new construction of 49 units of housing serving seniors with rents affordable to households earning 20-50% of area median income (AMI). The project will be developed by Mercy Housing California and will be located in Senate District 37 and Assembly District 68.

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 and SNHP through CalHFA.

**Project Number** CA-21-767

**Project Name** Villa St. Joseph  
**Site Address:** 480 South Batavia Street  
Orange, CA 92868 County: Orange  
**Census Tract:** 76001.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,383,528	\$0
Recommended:	\$1,383,528	\$0

**Applicant Information**

**Applicant:** Mercy Housing California  
**Contact:** Maury Ruano  
**Address:** 1500 S. Grand Avenue, Suite 100  
Los Angeles, CA 90015  
**Phone:** (310)722-6580  
**Email:** maury.ruano@mercyhousing.org

**General Partner(s) or Principal Owner(s):** Mercy Housing California 107, LLC  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** Mercy Housing Calwest  
**Developer:** Mercy Housing California  
**Bond Issuer:** California Municipal Finance Authority  
**Investor/Consultant:** California Housing Partnership Corporation  
**Management Agent:** Mercy Housing Management Group, Inc.

**Project Information**

Construction Type: Adaptive Reuse  
 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 Section 8 Project-based Vouchers (18 units 36%)

**Information**

Housing Type: Seniors  
 Geographic Area: Orange County  
 TCAC Project Analyst: Sopida Steinwert

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 24	49%
40% AMI: 13	27%
50% AMI: 12	24%

**Unit Mix**

6 SRO/Studio Units
43 1-Bedroom Units
1 2-Bedroom Units
<u>50 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
18 1 Bedroom	20%	\$504
2 SRO/Studio	30%	\$706
4 1 Bedroom	30%	\$757
2 SRO/Studio	40%	\$942
11 1 Bedroom	40%	\$1,009
2 SRO/Studio	50%	\$1,177
10 1 Bedroom	50%	\$1,261
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$5,920,000
Construction Costs	\$15,120,943
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$758,547
Soft Cost Contingency	\$100,000
Relocation	\$0
Architectural/Engineering	\$643,422
Const. Interest, Perm. Financing	\$1,816,357
Legal Fees	\$155,000
Reserves	\$517,842
Other Costs	\$2,131,962
Developer Fee	\$2,500,000
Commercial Costs	\$0
<b>Total</b>	<b>\$29,664,073</b>

**Residential**

Construction Cost Per Square Foot:	\$375
Per Unit Cost:	\$593,281
True Cash Per Unit Cost*:	\$464,883

**Construction Financing**

<u>Source</u>	<u>Amount</u>
Wells Fargo Bank	\$15,525,000
St. Joseph College of Orange SC**	\$5,705,000
CalHFA SNHP	\$3,696,893
Accrued/Deferred Interest	\$335,170
Cost Deferred Until Conversion	\$1,651,899
Deferred Developer Fee	\$714,905
General Partner Capital	\$100
Tax Credit Equity	\$2,035,106

**Permanent Financing**

<u>Source</u>	<u>Amount</u>
HCD-NPLH Competitive	\$3,641,722
HCD-NPLH Non-Competitive	\$2,000,000
OCHCD	\$1,020,600
St. Joseph College of Orange SC**	\$5,705,000
CalHFA SNHP	\$3,696,893
Accrued/Deferred Interest	\$335,170
Deferred Developer Fee	\$714,905
General Partner Capital	\$100
Tax Credit Equity	\$12,549,683
<b>TOTAL</b>	<b>\$29,664,073</b>

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

\*\*Seller Carryback

**Determination of Credit Amount(s)**

Requested Eligible Basis (Rehabilitation):	\$21,571,707
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$6,544,976
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$28,043,219
Qualified Basis (Acquisition):	\$6,544,976
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,121,729
Maximum Annual Federal Credit, Acquisition:	\$261,799
Total Maximum Annual Federal Credit:	\$1,383,528
Approved Developer Fee in Eligible Basis:	\$2,500,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.90708

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.

**Significant Information / Additional Conditions**

The site is presently part of the Sisters of St. Joseph campus. The proposed development will be improved within the "Motherhouse" that will undergo an adaptive reuse and conversion from a vacant convent to an apartment building. The single 3-story building will contain 49 affordable units, one manager’s unit and related common areas. The subject development will total approximately 40,372 square feet of living and community space within the Motherhouse. The applicant states the project will be subdivided into air rights to allow for separate ownership of the affordable units and school, chapel, and office buildings. A legal opinion of how the legal separation meets the IRS definition of a building will be required at Placed 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.

If the applicant has requested the use of a CUAC utility allowance, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, this project is not eligible to use a utility allowance based on the CUAC.

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

## **AGENDA ITEM 5**

# **Discussion and Consideration of Remaining 2021 State Low Income Housing Tax Credits (LIHTCs) Reservation for a Tax- Exempt Bond Financed Project**

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-21-680	Terracina at Whitney Ranch NW corner of 26th and Elm Between University Avenue and Wildcat Blvd. Rocklin, CA 95765 Placer County	USA Properties Fund, Inc. Darren Bobrowsky	USA Rocklin 688, Inc. Darren Bobrowsky	USA Multi-Family Development, Inc. Geoffrey C. Brown	Sunset Ranchos Investors, LLC C. Blaine Peterson and Barry S. Villines	California Municipal Finance Authority	No	Citibank

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report  
Tax-Exempt Bond Project  
December 22, 2021**

Terracina at Whitney Ranch, located between University Avenue and Wildcat Boulevard in Rocklin, requested and is being recommended for a reservation of \$4,756,876 in annual federal tax credits to finance the new construction of 285 units of housing serving large families with rents affordable to households earning 30-70% of area median income (AMI). The project requested \$2,842,825 in state tax credits, but due to the limited availability, is not being recommended any state tax credits. The project will be developed by USA Multi-Family Development, Inc. and will be located in Senate District 1 and Assembly District 6.

**Project Number** CA-21-680

**Project Name** Terracina at Whitney Ranch  
**Site Address:** Between University Avenue and Wildcat Boulevard  
Rocklin, CA 95765 County: Placer  
**Census Tract:** 213.09

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$4,756,876	\$2,842,825
Recommended:	\$4,756,876	\$0

\* The applicant made an election not to sell (Certificate) any portion of the state credits.

**Applicant Information**

**Applicant:** USA Properties Fund, Inc.  
**Contact:** Darren Bobrowsky  
**Address:** 3200 Douglas Boulevard, Suite 200  
Roseville, CA 95661  
**Phone:** (916) 865-3981  
**Email:** dbobrowsky@usapropfund.com

**General Partner(s) or Principal Owner(s):** USA Rocklin 688, Inc.  
Riverside Charitable Corporation

**General Partner Type:** Joint Venture  
**Parent Company(ies):** USA Properties Fund, Inc.  
Riverside Charitable Corporation

**Developer:** USA Multi-Family Development, Inc.  
**Bond Issuer:** California Municipal Finance Authority  
**Investor/Consultant:** WNC  
**Management Agent:** USA Multifamily Management, Inc.



**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 12  
 Total # of Units: 288  
 No. / % of Low Income Units: 285 100%  
 Federal Set-Aside Elected: 40%/60% Average Income  
 Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Large Family  
 Geographic Area: Capital Region  
 TCAC Project Analyst: Sarah Gullikson

**55-Year Use / Affordability**

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 29	10%
50% AMI: 60	21%
60% AMI: 54	19%
70% AMI: 142	50%

**Unit Mix**

72 1-Bedroom Units  
 144 2-Bedroom Units  
 72 3-Bedroom Units  


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 288 Total Units

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
7 1 Bedroom	30%	\$510
15 1 Bedroom	50%	\$850
13 1 Bedroom	60%	\$1,020
37 1 Bedroom	70%	\$1,190
15 2 Bedrooms	30%	\$612
30 2 Bedrooms	50%	\$1,020
26 2 Bedrooms	60%	\$1,224
70 2 Bedrooms	70%	\$1,428
7 3 Bedrooms	30%	\$706
15 3 Bedrooms	50%	\$1,178
15 3 Bedrooms	60%	\$1,413
35 3 Bedrooms	70%	\$1,649
3 2 Bedrooms	Manager's Unit	\$0

### **Project Cost Summary at Application**

Land and Acquisition	\$861,341
Construction Costs	\$54,317,474
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$5,338,620
Soft Cost Contingency	\$329,937
Relocation	\$0
Architectural/Engineering	\$2,327,605
Const. Interest, Perm. Financing	\$4,826,194
Legal Fees	\$0
Reserves	\$876,915
Other Costs	\$13,532,656
Developer Fee	\$11,931,962
Commercial Costs	\$0
<b>Total</b>	<b>\$94,342,704</b>

### **Residential**

Construction Cost Per Square Foot:	\$234
Per Unit Cost:	\$327,579
True Cash Per Unit Cost*:	\$314,384

#### **Construction Financing**

<u>Source</u>	<u>Amount</u>
Citibank: Tranche A - Tax-Exempt	\$48,000,000
Citibank: Tranche B - Tax-Exempt	\$16,000,000
USA Properties Fund- Tax-Exempt†	\$2,000,000
NOI during Construction	\$367,967
Deferred Fees	\$12,925,727
Tax Credit Equity	\$8,798,526

#### **Permanent Financing**

<u>Source</u>	<u>Amount</u>
Citibank: Tranche A - Tax-Exempt	\$39,585,000
USA Properties Fund- Tax-Exempt†	\$2,000,000
NOI during Construction	\$1,150,076
GP Equity	\$3,815,000
Deferred Developer Fee	\$3,800,000
State Credit Backfill (TBD)	\$2,132,119
Tax Credit Equity	\$41,860,509
<b>TOTAL</b>	<b>\$94,342,704</b>

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

†Private Placement B-Bonds

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$91,478,376
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$118,921,889
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$4,756,876
Total State Credit:	\$0
Approved Developer Fee (in Project Cost & Eligible Basis	\$11,931,962
Investor/Consultant:	WNC
Federal Tax Credit Factor:	\$0.88000
State Tax Credit Factor:	\$0.75000

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**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 \$4,280 on agreement of the permanent lender and equity investor.

**Resyndication and Resyndication Transfer Event:** None.

**Standard Conditions**

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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

## **AGENDA ITEM 6**

# **Discussion of State Low Income Housing Tax Credits Distribution for Tax-Exempt Bond Financed Projects in 2022**



California Tax Credit Allocation Committee

# **AGENDA ITEM 7**

## **Public Comment**



California Tax Credit Allocation Committee

## **AGENDA ITEM 8**

### **Adjournment**