



California Tax Credit Allocation Committee

CTCAC Committee Meeting
Wednesday, July 26, 2023
9:15 AM or Upon Adjournment of
the CDLAC Meeting



CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

901 P Street, Suite 213A
Sacramento, CA 95814
p (916) 654-6340
f (916) 654-6033
www.treasurer.ca.gov/ctcac

MEETING NOTICE

AGENDA

MEETING DATE:

July 26, 2023

TIME:

**9:15 a.m. or upon Adjournment of the
California Debt Limit Allocation Committee Meeting**

LOCATION:

901 P Street, Room 102
Sacramento, CA 95814

BOARD MEMBERS (VOTING)

FIONA MA, CPA, CHAIR
State Treasurer

MALIA M. COHEN
State Controller

JOE STEPHENSHAW
Director of Finance

GUSTAVO VELASQUEZ
Director of HCD

TIENA JOHNSON HALL
Executive Director of CalHFA

DIRECTOR

VACANT
Executive Director

Members of the public are invited to participate in person, remotely via TEAMS, or by telephone.*

[Click here to Join TEAMS Meeting \(full link below\)](#)

Public Participation Call-In Number

(888) 557-8511

Participant Code:

5651115

The California Tax Credit Allocation Committee (CTCAC) 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 June 19, 2023, Meeting**
- Informational:* **3. Program Updates**
 - a. Readiness to Proceed Deadline Extensions/Necessary Action Taken due to Bank Closures Update
Presented by: Anthony Zeto
- Action Item:* **4. Discussion and Consideration of appeals if filed under CTCAC Regulation Section 10330(b)(1), and if appeal is granted in its entirety, a Reservation of 2023 First Round Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) – See Exhibit A for project list**
Presented by: Anthony Zeto

Action Item: 5. **Recommendation for Reservation of 2023 First Round Federal 9% and State LIHTCs**
[First Round 9% Preliminary Recommendations](#)
Presented by: Carmen Doonan

Action Item: 6. **Resolution No. 23/24-01, Approval of Regular Rulemaking Regarding State Historic Rehabilitation Tax Credits (Cal. Code Regs., tit. 4, div. 17, ch. 3, §§ 11010-11013)**
Presented by: Anthony Zeto

7. **Public Comment**

8. **Adjournment**

FOR ADDITIONAL INFORMATION

CTCAC

901 P Street, Suite 213A, 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 the call-in number or TEAMS to listen to and/or comment on items before CTCAC. Additional instructions will be provided to participants once they call the indicated number or join via TEAMS. The call-in number and TEAMS information are provided as an option for public participation, but CTCAC is not responsible for unforeseen technical difficulties that may occur. CTCAC is under no obligation to postpone or delay its meeting in the event such technical difficulties occur during or before the meeting.

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 CTCAC in appropriate alternative formats when requested. If you need further assistance, including disability-related modifications or accommodations, please contact CTCAC staff no later than five calendar days before the meeting at (916) 654-6340. From a California Relay (telephone) Service for the Deaf or Hearing Impaired TDD Device, please call (800) 735-2929 or from a voice phone, (800) 735-2922.

Full TEAMS Link

https://teams.microsoft.com/l/meetup-join/19%3ameeting_NDViyZiOTEtNmVmZi00NWlxLThmZDMtOWQ5YzYyN2Y3Zjg3%40thread.v2/0?context=%7b%22id%22%3a%223bee5c8a-6cb4-4c10-a77b-cd2eaeb7534e%22%2c%22oid%22%3a%22838e980b-c8bc-472b-bce3-9ef042b5569b%22%7d

Exhibit A

Appeals filed under Agenda Item 4

1. Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of Camino de Salud (CA-23-015) affecting the 2023 First Round Application for Reservation of Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) **in the Rural Set-Aside**.*
 - Camino de Salud (CA-23-015) is not currently on the preliminary recommendation list nor will the outcome of the appeal impact its current status.

2. Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of Village Senior Apartments (CA-23-014) affecting the 2023 First Round Application for Reservation of Federal 9% LIHTCs **in the Rural Set-Aside**.*
 - Village Senior Apartments (CA-23-014) is not currently on the preliminary recommendation list nor will the outcome of the appeal impact its current status.

3. Discussion and consideration of an appeal filed under California Code of Regulations, title 4, section 10330 on behalf of Palmer Park Manor (CA-23-058) affecting the 2023 First Round Application for Reservation of Federal 9% and State LIHTCs **in the At-Risk Set-Aside**.*
 - Palmer Park Manor (CA-23-058) is not currently on the preliminary recommendation list nor will the outcome of the appeal impact its current status.

***At the time of this publication, it is not known the complete list of applicants who will file appeals for consideration by the California Tax Credit Allocation Committee (CTCAC). CTCAC staff has listed all potential, known appeals.**



California Tax Credit Allocation Committee

AGENDA ITEM 2

Approval of the Minutes of the

June 19, 2023 Meeting



California Tax Credit Allocation Committee

901 P Street, Room 102
Sacramento, CA 95814

June 19, 2023

CTCAC Committee Meeting Minutes

1. *Agenda Item: Call to Order and Roll Call*

The California Tax Credit Allocation Committee (CTCAC) meeting was called to order at 12:31 p.m. with the following Committee members present:

Voting Members: Fiona Ma, CPA, California State Treasurer, Chairperson
Lynn Paquin for California State Controller Malia M. Cohen
Gayle Miller for Department of Finance (DOF) Director Joe Stephenshaw
Department of Housing and Community Development (HCD) Director
Gustavo Velasquez
Tiena Johnson Hall, Executive Director for the California Housing
Finance Agency (CalHFA)

Advisory Members: County Representative – VACANT
City Representative – Considered VACANT until Brian Tabatabai is
sworn in on June 23, 2023

2. *Agenda Item: Approval of the Minutes of the May 10, 2023 Meeting – (Action Item)*

MOTION: Ms. Miller motioned to approve the minutes of the May 10, 2023 meeting, and Mr. Velasquez seconded the motion.

Chairperson Ma called for public comments:
None.

Motion passed unanimously via roll call vote.

3. *Agenda Item: Executive Director's Report*

This item was skipped.

4. *Agenda Item: Resolution No. 22/23-10, recommendation of a Resolution Authorizing the Executive Director of the California Tax Credit Allocation Committee to sign an Interagency Agreement (Contract No. CTCAC06-22) with the State Treasurer's Office on behalf of the Committee, not to exceed \$1,143,315, for Reimbursement for Executive and Support Services – (Action Item)*

Presented by: Anthony Zeto

Mr. Zeto explained that the Executive Director has delegated authority to execute contracts not to exceed \$300,000. The purpose of this resolution is to approve a contract between CTCAC and the State Treasurer's Office for executive and support services not to exceed \$1,143,315. The contract is being presented to the Committee for approval because it exceeds the Executive Director's delegated authority.

CTCAC Committee Meeting
June 19, 2023



California Tax Credit Allocation Committee

Chairperson Ma called for public comments:
None.

MOTION: Ms. Paquin motioned to adopt Resolution No. 22/23-10, and Ms. Miller seconded the motion.

Motion passed unanimously via roll call vote.

- 5. Agenda Item: Resolution No. 22/23-11, recommendation of a Resolution Authorizing the Executive Director of the California Tax Credit Allocation Committee to sign an Interagency Agreement (Contract No. CTCAC07-22) with the State Treasurer's Office on behalf of the Committee, not to exceed \$360,099, for Reimbursement for Annual Building Rent, Security Expenses, and Other Related Costs – (Action Item)**
Presented by: Anthony Zeto

Mr. Zeto explained that the purpose of this resolution is to approve a contract between CTCAC and the State Treasurer's Office for annual building rent, security expenses, and other related costs, not to exceed \$360,099. The contract is above the Executive Director's delegated authority to approve contracts not to exceed \$300,000.

Chairperson Ma called for public comments:
None.

MOTION: Mr. Velasquez motioned to adopt Resolution No. 22/23-11, and Ms. Miller seconded the motion.

Motion passed unanimously via roll call vote.

- 6. Agenda Item: Public Comment**

There was no public comment.

- 7. Agenda Item: Adjournment**

The meeting was adjourned at 12:37 p.m.



California Tax Credit Allocation Committee

AGENDA ITEM 3
Program Updates
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AGENDA ITEM 4

Discussion and Consideration of appeals if filed under CTCAC Regulation Section 10330(b)(1), and if appeal is granted in its entirety, a Reservation of 2023 First Round Federal Nine Percent (9%) and State Low Income Housing Tax Credits (LIHTCs) – See Exhibit A for project list

At this time, no appeals to the
Committee have been received.



California Tax Credit Allocation Committee

AGENDA ITEM 5

Recommendation for Reservation of

2023 First Round Federal 9% and

State LIHTCs

California Tax Credit Allocation Committee (CTCAC)
2023 First Round Preliminary Recommendations for the Set-Aside Projects - REVISED
 July 26, 2023

Funding Order	Point Score	Final Tie Breaker Score	Project Number	Project Name	Project City	Housing Type	Federal Credits	State Credits
NONPROFIT SET ASIDE				Set-Aside Credit Available \$5,416,034				
1	109.00	119.002%	CA-23-049	North Harbor - NPHA	Anaheim	Special Needs	\$2,500,000	\$1,168,231
2	109.00	84.599%	CA-23-025	Serenade on 43rd - NPHA	San Diego	Special Needs	\$2,118,713	\$0
3	109.00	82.738%	CA-23-020	Larkin Place - NPHA	Claremont	Special Needs	\$1,163,000	\$0
							\$5,781,713	\$1,168,231
Remaining Balance in Set-Aside							(\$365,679)	
RURAL SET ASIDE*				Set-Aside Credit Available \$10,832,068				
4	109.00	64.635%	CA-23-047	Northview Senior Apartments - HOME	Williams	Seniors	\$853,717	\$0
5	109.00	64.150%	CA-23-046	Wheatland Senior Apartments - HOME	Wheatland	Seniors	\$1,064,729	\$0
6	94.00	70.854%	CA-23-013	Yurok Homes #4 - Native American	Klamath Glen	Large Family	\$1,739,667	\$0
7	109.00	66.653%	CA-23-016	Shasta Lake Redevelopment	Shasta Lake	Large Family	\$2,441,500	\$0
8	109.00	61.188%	CA-23-076	Cherry Crossing I	Sanger	Large Family HR	\$2,346,212	\$0
9	109.00	59.531%	CA-23-017	Cypress Lane Family Apartments	Paradise	Large Family	\$2,500,000	\$5,355,715
							\$10,945,825	\$5,355,715
Remaining Balance in Set-Aside							(\$113,757)	
AT-RISK SET-ASIDE**				Set-Aside Credit Available \$2,658,017				
10	109.00	36.777%	CA-23-026	Orchard Grove	Garden Grove	At-Risk	\$2,500,000	\$6,184,733
11	109.00	29.995%	CA-23-009	Casas Del Rio	Orange	At-Risk	\$928,294	\$0
							\$3,428,294	\$6,184,733
Remaining Balance in Set-Aside							(\$770,277)	
SPECIAL NEEDS SET-ASIDE				Set-Aside Credit Available \$2,126,414				
12	109.00	81.865%	CA-23-056	Orcutt Road Apartments (aka Maxine Lewis)	San Luis Obispo	Special Needs	\$1,172,101	\$0
13	109.00	78.169%	CA-23-002	Park Center Apartments	Stockton	Special Needs	\$1,903,098	\$0
							\$3,075,199	\$0
Remaining Balance in Set-Aside							(\$948,785)	
							Total Annual Federal Credits from Set-Aside Projects	Total State Credits from Set-Aside Projects
							\$23,231,031	\$12,708,679

*At the time of publication on July 14, 2023, Elders' Place (CA-23-012) was inadvertently ranked higher than Yurok Homes #4 (CA-23-013) in the Rural set-aside (Native American). Based on the correct ranking, Elders' Place (CA-23-012) has been removed from the Rural set-aside (Native American).

**At the time of publication on July 14, 2023, Orchard Grove (CA-23-026) was inadvertently omitted from the At-Risk set-aside. With the addition of Orchard Grove (CA-23-026) to the At-Risk set-aside, Watts Arms II Apartments (CA-23-004) and LAAC Apartments (CA-23-063) are now recommended in the City of Los Angeles geographic region.

The information presented here is preliminary and is made available for informational purposes only. The information is not binding on CTCAC or its staff. It does not represent any final decision of CTCAC and should not be relied upon as such. Interested parties are cautioned that any action taken in reliance on the preliminary information is taken at the parties' own risk as the information presented is subject to change at any time until formally adopted by CTCAC at a duly noticed meeting.

2023 First Round Preliminary Recommendations for the Geographic Regions - REVISED

July 26, 2023

Funding Order	Point Score	Final Tie Breaker Score	Project Number	Project Name	Housing Type	Federal Credits	State Credits	Federal/State
<u>SAN FRANCISCO COUNTY</u>				Geographic Region Credit Available \$6,398,283				
				<u>NO RECOMMENDED PROJECTS IN GEOGRAPHIC REGION</u>				
						\$0	\$0	\$0
						Remaining Balance in Geographic Region		\$6,398,283
<u>NORTHERN REGION</u>				Geographic Region Credit Available \$244,070				
				<u>NO RECOMMENDED PROJECTS IN GEOGRAPHIC REGION</u>				
						\$0	\$0	\$0
						Remaining Balance in Geographic Region		\$244,070
<u>CENTRAL COAST REGION</u>				Geographic Region Credit Available \$3,535,267				
14	109.00	73.294%	CA-23-030	Cleaver & Clark Commons	Large Family	\$2,192,140	\$0	\$2,192,140
19	109.00	43.544%	CA-23-055	Bridge Street Family Apartments	Large Family HR	\$2,098,870	\$0	\$2,098,870
						\$4,291,010	\$0	\$4,291,010
						Remaining Balance in Geographic Region		(\$755,743)
<u>CAPITAL REGION</u>				Geographic Region Credit Available \$536,056				
				<u>NO RECOMMENDED PROJECTS IN GEOGRAPHIC REGION</u>				
						\$0	\$0	\$0
						Remaining Balance in Geographic Region		\$536,056
<u>SOUTH AND WEST BAY REGION</u>				Geographic Region Credit Available \$4,956,434				
15	109.00	104.165%	CA-23-007	Alvarado Park	Seniors	\$2,500,000	\$0	\$2,500,000
20	109.00	66.892%	CA-23-071	Mitchell Park Place	Special Needs	\$2,500,000	\$4,847,061	\$2,984,706
						\$5,000,000	\$4,847,061	\$5,484,706
						Remaining Balance in Geographic Region		(\$528,272)

2023 First Round Preliminary Recommendations for the Geographic Regions - REVISED

July 26, 2023

Funding Order	Point Score	Final Tie Breaker Score	Project Number	Project Name	Housing Type	Federal Credits	State Credits	Federal/State
<u>ORANGE COUNTY</u>				Geographic Region Credit Available \$0				
<u>NO RECOMMENDED PROJECTS IN GEOGRAPHIC REGION</u>						\$0	\$0	\$0
						Remaining Balance in Geographic Region		\$0
<u>EAST BAY REGION</u>				Geographic Region Credit Available \$4,420,216				
16	109.00	61.608%	CA-23-003	North Housing PSH I	Special Needs	\$2,500,000	\$6,449,816	\$3,144,982
						\$2,500,000	\$6,449,816	\$3,144,982
						Remaining Balance in Geographic Region		\$1,275,234
<u>INLAND EMPIRE REGION</u>				Geographic Region Credit Available \$621,288				
<u>NO RECOMMENDED PROJECTS IN GEOGRAPHIC REGION</u>						\$0	\$0	\$0
						Remaining Balance in Geographic Region		\$621,288
<u>SAN DIEGO COUNTY</u>				Geographic Region Credit Available \$345,485				
<u>NO RECOMMENDED PROJECTS IN GEOGRAPHIC REGION</u>						\$0	\$0	\$0
						Remaining Balance in Geographic Region		\$345,485
<u>CENTRAL VALLEY REGION</u>				Geographic Region Credit Available \$0				
<u>NO RECOMMENDED PROJECTS IN GEOGRAPHIC REGION</u>						\$0	\$0	\$0
						Remaining Balance in Geographic Region		\$0

2023 First Round Preliminary Recommendations for the Geographic Regions - REVISED

July 26, 2023

Funding Order	Point Score	Final Tie Breaker Score	Project Number	Project Name	Housing Type	Federal Credits	State Credits	Federal/State
<u>BALANCE OF LOS ANGELES COUNTY</u>				Geographic Region Credit Available \$10,561,547				
17	109.00	75.205%	CA-23-054	2052 Lake Avenue Apartments	Special Needs	\$2,338,969	\$0	\$2,338,969
21	109.00	61.388%	CA-23-005	Lexington Gardens	Special Needs	\$2,500,000	\$4,738,506	\$2,973,851
23	109.00	49.317%	CA-23-006	Martel EAH	Seniors	\$2,500,000	\$8,000,749	\$3,300,075
25	109.00	29.368%	CA-23-070	Rose Town Apartments	Large Family HR	\$2,500,000	\$8,931,998	\$3,393,200
						\$9,838,969	\$21,671,253	\$12,006,095
						Remaining Balance in Geographic Region		(\$1,444,548)
<u>CITY OF LOS ANGELES*</u>				Geographic Region Credit Available \$13,578,133				
18	109.00	26.618%	CA-23-001	First Street North B Apartments	Large Family	\$2,500,000	\$12,245,348	\$3,724,535
22	109.00	26.001%	CA-23-064	Manchester Apartments	Seniors	\$2,274,501	\$0	\$2,274,501
24	109.00	50.347%	CA-23-057	Loma Verde	Special Needs	\$1,296,297	\$0	\$1,296,297
26	109.00	25.332%	CA-23-004	Watts Arms II Apartments	At-Risk	\$1,586,245	\$0	\$1,586,245
27	99.00	16.483%	CA-23-063	LAAC Apartments	At-Risk	\$2,500,000	\$3,008,597	\$2,800,860
						\$10,157,043	\$15,253,945	\$11,682,438
						Remaining Balance in Geographic Region		\$1,895,695

Total Annual Federal Credits from Geographic Regions	Total State Credits from Geographic Regions	Total Federal/State from Geographic Regions
\$31,787,022	\$48,222,075	\$36,609,231

*At the time of publication on July 14, 2023, Orchard Grove (CA-23-026) was inadvertently omitted from the At-Risk set-aside. With the addition of Orchard Grove (CA-23-026) to the At-Risk set-aside, Watts Arms II Apartments (CA-23-004) and LAAC Apartments (CA-23-063) are now recommended in the City of Los Angeles geographic region.

The information presented here is preliminary and is made available for informational purposes only. The information is not binding on CTCAC or its staff. It does not represent any final decision of CTCAC and should not be relied upon as such. Interested parties are cautioned that any action taken in reliance on the preliminary information is taken at the parties' own risk as the information presented is subject to change at any time until formally adopted by CTCAC at a duly noticed 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)	Lender(s) (First Lender is Primary Construction Lender)
CA-23-001	First Street North B Apartments 232 Judge John Aiso Street Los Angeles, CA 90012 Los Angeles County	LTSC Community Development Corporation Erich Nakano	FSN B Apartments, LLC Erich Nakano	LTSC Community Development Corporation Debbie Chen	City of Los Angeles (lessor) Daniel Huynh	US Bank LAHD Affordable Housing Managed Pipeline HCD Infill Infrastructure Grant
CA-23-002	Park Center Apartments 21 West Park Street Stockton, CA 95202 San Joaquin County	Park Center Apartments L.P. Peter W. Ragsdale	DCDC Park Center, LLC Peter W. Ragsdale Community Revitalization and Development Corporation David Rutledge	Park Center Apartments L.P. Peter W. Ragsdale	Delta Community Developers Corp Peter W. Ragsdale	F&M Bank HACSJ MHSA/PLHA City of Stockton
CA-23-003	North Housing PSH I 500 Mosley Avenue Alameda, CA 94501 Alameda County	Island City Development Vanessa Cooper	ICD Lakehurst, LLC Vanessa Cooper	Island City Development Vanessa Cooper	Housing Authority of the City of Alameda Vanessa Cooper	JP Morgan Chase Bank, N.A. Alameda Housing Authority AAHTF City of Alameda - HOME/CBDG AHP
CA-23-004	Watts Arms II Apartments 1724 East Century Boulevard Los Angeles, CA 90002 Los Angeles County	Watts Arms II Partners, LP Phillip Curls	APG Holdings, LLC Phillip Curls Community Bible Community Development Corporation Rhonda Bell	Alliance Property Group, Inc. Phillip Curls	Watts Housing Community Corporation Norman Woods	Rose Community Capital
CA-23-005	Lexington Gardens 1201 - 1207 North Detroit Street West Hollywood, CA 90046 Los Angeles County	EAH Inc. Welton Jordan	Detroit West Hollywood EAH, LLC Welton Jordan EAH Community Housing Inc. Welton Jordan	EAH Inc. Welton Jordan	SHP Capital, LLC Michael Soleimani Shapour Sedaghat	US Bank City of West Hollywood Los Angeles County Development Authority - AHTF Department of Developmental Services
CA-23-006	Martel EAH 1041-1049 North Martel Avenue West Hollywood, CA 90046 Los Angeles County	EAH Inc. Welton Jordan	Martel EAH, LLC Welton Jordan EAH Community Housing Inc. Welton Jordan	EAH Inc. Welton Jordan	SAS Dreams, LLC Sean Sassounian	US Bank City of West Hollywood LACDA Capital
CA-23-007	Alvarado Park 237 Race Street San Jose, CA 95126 Santa Clara County	Alvarado Park LP Karl Lauff	Villa Garcia, Inc. Preston Prince	Santa Clara County Housing Authority Authority Karl Lauff	Santa Clara County Housing Authority Preston Prince	Wells Fargo SCCHA MTW Santa Clara County Measure A Santa Clara County Loan - NPLH
CA-23-009	Casas Del Rio 1740 East La Veta Avenue Orange, CA 92866 Orange County	Curio Housing LP Kenneth Robertson	1740 LaVeta, LLC Kenneth Robertson VH Casas Del Rio GP, LLC Peter Barker	Valued Housing II, LLC Peter Barker	Casas Del Rio Recinda Shaffer	Lument Real Estate Capital LLC Riverside Charitable Corp.
CA-23-013	Yurok Homes #4 Vacant parcel northeast of 80 Cedar Road Klamath Glen, CA 95548 Del Norte County	Yurok Homes #4 LP Nicole Sager	Yurok Indian Housing Authority Nicole Sager	Yurok Indian Housing Authority Nicole Sager	Applicant holds title	Yurok Indian Housing Authority
CA-23-016	Shasta Lake Redevelopment 4601 Shasta Dam Boulevard Shasta Lake, CA 96019 Shasta County	Shasta Lake Downtown Housing, LP Daniel Knott	Shasta Lake Downtown Housing, LLC Daniel Knott Community Revitalization and Development Company David Rutledge	ADK Properties, LLC Daniel Knott	City of Shasta Lake / ADK Properties, LLC Jessaca Lugo / Daniel Knott	Citibank County of Shasta City of Shasta Lake
CA-23-017	Cypress Lane Family Apartments 1633 Cypress Lane Paradise, CA 95969 Butte County	Mercy Housing California Jeffrey Riley	Mercy Housing California Richard C. Ciraulo Community Housing Improvement Program, Inc. Seana O'Shaughnessy	Mercy Housing California Richard C. Ciraulo	Paradise Investment Group, LLC & California Vocations, Inc. Eyring Realty, Inc. (Paradise Investment Group, LLC)	Wells Fargo CDBG

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)	Lender(s) (First Lender is Primary Construction Lender)
CA-23-020	Larkin Place 731 Harrison Avenue Claremont, CA 91711 Los Angeles County	Larkin Place Housing Partners LP Tish Kelly	JHC-Larkin Place, LLC Tish Kelly	Jamboree Housing Corporation Tish Kelly	Pilgrim Place in Claremont Ronald Bolding	Banner Bank LACDA AHTF San Gabriel Valley Regional Housing Trust
CA-23-025	Serenade on 43rd 4030 43rd Street San Diego, CA 92105 San Diego County	Serenade 43, LP Rebecca Louie	Wakeland Serenade 43, LLC Rebecca Louie TACHS 43rd Street Apartments, LLC Kimberly Russell-Shaw	Wakeland Housing and Development Corporation Dani Halton McMillin	The Association for Community Housing Solutions, dba Housing Innovation Partners Kimberly Russell-Shaw	Wells Fargo San Diego County Loan - NPLH CDBG San Diego Housing Commission Loan HCD IIG
CA-23-026	Orchard Grove 12131-12222 Tamerlane Drive Garden Grove, CA 92840 Orange County	Affordable Housing Access, Inc. Shawn Boyd	AHA NGGC, LLC Shawn Boyd Kingdom Village, LLC William Leach	Affordable Housing Access, Inc. Shawn Boyd	New Tamerlane, LLC, Vasilios Salamandrakis	Citibank City of Garden Grove
CA-23-030	Cleaver & Clark Commons 1206 West Grand and 164 South 13th Street Grover Beach, CA 93433 San Luis Obispo County	Cleaver & Clark Commons, L.P. Veronica Garcia	Cleaver & Clark Commons, LLC Veronica Garcia San Luis Obispo Nonprofit Group Ken Litzinger People's Self-Help Housing Corp. Veronica Garcia	People's Self-Help Housing Veronica Garcia	HASLO Ken Litzinger	Chase Bank HCD: Joe Serna City of Grover Beach PLHA SLO Co Housing Trust Fund HASLO
CA-23-046	Wheatland Senior Apartments 810 1st Street Wheatland, CA 95692 Yuba County	Wheatland Senior Associates L.P. Caleb Roope	Building Better Partnerships, Inc. Gustavo Becerra TPC Holdings IX, LLC Caleb Roope	Pacific West Communities, Inc. Caleb Roope	AMG & Associates, LLC Alexis Gevorgian	California Bank & Trust City of Wheatland - HOME
CA-23-047	Northview Senior Apartments Southeastern corner of C Street and Eight Street Williams, CA 95987 Colusa County	Williams Senior Associates II L.P. Caleb Roope	Building Better Partnerships, Inc. Gustavo Becerra TPC Holdings IX, LLC Caleb Roope	Pacific West Communities, Inc. Caleb Roope	AHLC, LLC Alexis Gevorgian	California Bank & Trust City of Williams - HOME
CA-23-049	North Harbor 1251 North Harbor Boulevard Anaheim, CA 92801 Orange County	Linc Housing Corporation Anders Plett	Linc North Harbor Blvd, LLC Anders Plett Linc North Harbor Blvd, LLC Milo Peinemann	Linc Housing Corporation Jordan Freedman	Khan Hotels, Inc. Asrar Khan	Wells Fargo HCD: Homekey City of Anaheim - LMIHAF City of Anaheim (HOME ARP, HOPWA, or LMIHAF)
CA-23-054	2052 Lake Avenue Apartments 2052 Lake Avenue Altadena, CA 91356 Los Angeles County	2052 Lake Altadena, L.P. Welton Jordan	2052 Lake Altadena EAH, LLC Welton Jordan EAH Community Housing Inc. Laura Hall	EAH Inc. Welton Jordan	Sektrav Corp. Vartkes & Raffi Khajerian	U.S. Bank HCD - Disaster Recovery (MHP) LACDA - AHTF
CA-23-055	Bridge Street Family Apartments 279 Bridge Street San Luis Obispo, CA 93401 San Luis Obispo County	San Luis Obispo Nonprofit Housing Corporation Ken Litzinger	San Luis Obispo Nonprofit Housing Corporation Ken Litzinger	San Luis Obispo Nonprofit Housing Corporation Ken Litzinger	Housing Authority San Luis Obispo Scott Collins	Pacific Western Bank HASLO City of San Luis Obispo
CA-23-056	Orcutt Road Apartments 736 Orcutt Road San Luis Obispo, CA 93401 San Luis Obispo County	San Luis Obispo Nonprofit Housing Corporation Ken Litzinger	San Luis Obispo Nonprofit Housing Corporation Ken Litzinger	San Luis Obispo Nonprofit Housing Corporation Ken Litzinger	Housing Authority of San Luis Obispo Scott Collins	Pacific Western Bank County of San Luis Obispo City of San Luis Obispo - AHF Housing Trust Fund HASLO
CA-23-057	Loma Verde 405 North Westlake Avenue Los Angeles, CA 90026 Los Angeles County	Loma Verde, L.P. Audrey Peterson	405 Loma Verde LLC Audrey Peterson	Clifford Beers Housing (a/k/a Holos Communities) Audrey Peterson	Javier Jauregui Javier Jauregui	Genesis LA City of LA HHH AHP

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)	Lender(s) (First Lender is Primary Construction Lender)
CA-23-063	LAAC Apartments 4517-4519 South Normandie Avenue (scattered site) Los Angeles, CA 90037 245 & 249 West 64th Street Los Angeles, CA 90003 679 & 689 East 41st Street Los Angeles, CA 90011 900 East 28th Street Los Angeles, CA 90011 6320-6324 South Broadway Los Angeles, CA 90003 235 West 47th Street Los Angeles, CA 90037 Los Angeles County	LAAC, LP Justin Solomon	Kingdom Development, Inc. William Leach LAAC Associates, LLC Justin Solomon	Dawson Holdings, Inc. Justin Solomon	S&J Limited #2 Lisa Sonne & James Sonne	East West Bank DHI Guarantor, LLC
CA-23-064	Manchester Apartments 823 West Manchester Avenue Los Angeles, CA 90044 Los Angeles County	Manchester Land Associates, L.P. Michael Limb	Newport Development, LLC Michael Limb Spectrum GP, LLC Tony Palaigos	Domus Development, LLC Maurice Ramirez	Ambrosia, LP Sierra Atilano	Citi Bank Los Angeles Housing Dept. - HOME
CA-23-070	Rose Town Apartments 170 North Halstead Street Pasadena, CA 91107 Los Angeles County	Central Valley Coalition for Affordable Housing Christina Alley	Central Valley Coalition for Affordable Housing Christina Alley Rose Town Apartments AGP LLC Paul Salib	CRP Affordable Housing and Community Development LLC Paul Salib	DDI 170 N. Halstead LLC Kathi Constanzo - Coldwell Banker Commercial	Citi Bank
CA-23-071	Mitchell Park Place 525 East Charleston Road Palo Alto, CA 94306 Santa Clara County	Eden Housing, Inc. Andrea Osgood	Eden Mitchell Park LLC Andrea Osgood	Eden Housing, Inc. Kate Blessing-Kawamura	The County of Santa Clara Consuelo Hernandez	First Republic Bank County of Santa Clara City of Palo Alto CDBG
CA-23-076	Cherry Crossing I Northeastern corner of Cherry and Sanger Avenues Sanger, CA 93657 Fresno County	Self-Help Enterprises Betsy McGovern-Garcia	Cherry Crossing LLC Betsy McGovern-Garcia	Self-Help Enterprises Betsy McGovern-Garcia	Life Tabernacle United Pentecostal Church of Sanger Gilberto Luna Carrisalez	US Bank HCD: Joe Serna County of Fresno - HOME

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

First Street North B Apartments, located at 232 Judge John Aiso Street in Los Angeles, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$12,245,348 in total state tax credits to finance the new construction of 66 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by LTSC Community Development Corporation and will be located in Senate District 24 and Assembly District 53.

The project financing includes state funding from the Infill Infrastructure Grant (IIG) and Veterans Housing and Homelessness Prevention (VHHP) programs of HCD.

Project Number CA-23-001

Project Name First Street North B Apartments
Site Address: 232 Judge John Aiso Street
Los Angeles, CA 90012
County: Los Angeles
Census Tract: 2062.02

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$12,245,348
Recommended:	\$2,500,000	\$12,245,348

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

Applicant Information

Applicant: LTSC Community Development Corporation
Contact: Erich Nakano
Address: 231 East Third Street, Suite G106
Los Angeles, CA 90013
Phone: 213-473-1685
Email: enakano@ltsc.org

General Partner(s) / Principal Owner(s): FSN B Apartments, LLC
General Partner Type: Nonprofit
Parent Company(ies): FSN B Apartments LLC
Developer: LTSC Community Development Corporation
Investor/Consultant: California Housing Partnership
Management Agent(s): Levine Management Group Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 67
No. & % of Tax Credit Units: 66 100%
Federal Set-Aside Elected: 40%/60%

Information

Set-Aside: N/A
Housing Type: Large Family
Geographic Area: City of Los Angeles
CTCAC Project Analyst: Nick White

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	14	20%
At or Below 50% AMI:	41	40%
At or Below 60% AMI:	11	15%

Unit Mix

17 SRO/Studio Units
15 1-Bedroom Units
17 2-Bedroom Units
18 3-Bedroom Units
<u>67 Total Units</u>

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 SRO/Studio	30%	\$625
4 1 Bedroom	30%	\$670
3 2 Bedrooms	30%	\$804
2 3 Bedrooms	30%	\$929
9 SRO/Studio	50%	\$1,042
8 1 Bedroom	50%	\$1,116
9 2 Bedrooms	50%	\$1,340
15 3 Bedrooms	50%	\$1,548
3 SRO/Studio	60%	\$1,251
3 1 Bedroom	60%	\$1,340
5 2 Bedrooms	60%	\$1,608
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$237,317
Construction Costs	\$28,532,626
Rehabilitation Costs	\$0
Construction Contingency	\$2,986,969
Relocation	\$0
Architectural/Engineering	\$1,387,868
Const. Interest, Perm. Financing	\$6,787,259
Legal Fees	\$313,261
Reserves	\$333,565
Other Costs	\$1,645,207
Developer Fee	\$2,200,000
Commercial Costs	\$8,338,388
Total	\$52,762,460

Residential

Construction Cost Per Square Foot:	\$357
Per Unit Cost:	\$657,579
True Cash Per Unit Cost*:	\$657,579

Construction Financing

Source	Amount
US Bank	\$39,991,021
HCD IIG	\$1,464,349
LAHD ¹	\$6,805,200
Deferred Costs	\$1,271,035
Tax Credit Equity	\$3,230,855

Permanent Financing

Source	Amount
US Bank	\$2,379,000
Genesis LA	\$5,479,000
HCD IIG	\$1,627,054
HCD VHHP	\$2,723,660
LAHD ¹	\$6,805,200
Tax Credit Equity	\$33,748,546
TOTAL	\$52,762,460

¹ Los Angeles Housing Development

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$40,817,827
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$40,817,827
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$12,245,348
Approved Developer Fee in Project Cost:	\$2,200,000
Approved Developer Fee in Eligible Basis:	\$1,833,689
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.93360
State Tax Credit Factor:	\$0.85000

The "as if vacant" land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

Initial:	Letter of Support
First:	Large Family
Self-Score Final:	26.618%
CTCAC Final:	26.618%

Significant Information / Additional Conditions:

Staff noted a per unit development cost of \$657,579. The applicant noted that the high per unit cost is attributed to the utilization of type 1 construction and significant landscaping improvements.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Los Angeles Housing Department, has completed a site review of this project and strongly supports this project.

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of a public high school	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 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
Health & wellness services and programs, minimum 60 hrs. per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Park Center Apartments, located at 709 North Center Street and 21 & 39 West Park Street in Stockton, requested and is being recommended for a reservation of \$1,903,098 in annual federal tax credits to finance the new construction & adaptive reuse of 50 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 Park Center Apartments, a California Limited Partnership and will be located in Senate District 5 and Assembly District 13.

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

Project Number CA-23-002

Project Name Park Center Apartments
Site Address: 709 North Center Street and 21 & 39 West Park Street
Stockton, CA 95202
County: San Joaquin
Census Tract: 4.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,903,098	\$0
Recommended:	\$1,903,098	\$0

Applicant Information

Applicant: Park Center Apartments
Contact: Peter W. Ragsdale
Address: 2575 Grand Canal Boulevard, Suite 220
Stockton, CA 95207
Phone: 209-460-5065
Email: Pragsdale@hacsj.org

General Partner(s) / Principal Owner(s): DCDC Park Center, LLC
Community Revitalization and Development Corporation
General Partner Type: Nonprofit
Parent Company(ies): Delta Community Developers Corporation
Community Revitalization and Development Corporation
Developer: Park Center Apartments
Investor/Consultant: California Housing Partnership
Management Agent(s): Domus Management Company

Project Information

Construction Type: New Construction & Adaptive Reuse
Total # Residential Buildings: 2
Total # of Units: 51
No. & % of Tax Credit Units: 50 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME / HUD Section 8 Project-based Vouchers (50 Units - 100%)

Information

Set-Aside: Special Needs
Housing Type: Special Needs
Type of Special Needs: Persons with physical, mental, development disabilities
Average Targeted Affordability of Special Needs/SRO Project Units: 38.40%
% of Special Need Units: 50 units 100.00%
Geographic Area: N/A
CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AMI:	29	58%
At or Below 50% AMI:	21	42%

Unit Mix

2 SRO/Studio Units
47 1-Bedroom Units
2 2-Bedroom Units
51 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
2 SRO/Studio	30%	\$435
26 1 Bedroom	30%	\$466
1 2 Bedrooms	30%	\$559
21 1 Bedroom	50%	\$776
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,400,000
Construction Costs	\$10,262,926
Rehabilitation Costs	\$7,680,625
Construction Contingency	\$2,570,024
Relocation	\$0
Architectural/Engineering	\$662,500
Const. Interest, Perm. Financing	\$1,857,473
Legal Fees	\$107,500
Reserves	\$771,600
Other Costs	\$1,397,199
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$29,909,847

Residential

Construction Cost Per Square Foot:	\$493
Per Unit Cost:	\$586,468
True Cash Per Unit Cost*:	\$586,468

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
F&M Bank	\$12,221,410	HACCSJ	\$11,650,000
HACCSJ	\$11,650,000	City of Stockton	\$2,227,632
City of Stockton	\$2,227,632	Tax Credit Equity	\$16,032,215
Deferred Costs	\$2,335,833	TOTAL	\$29,909,847
Tax Credit Equity	\$1,474,972		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$16,265,795
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$21,145,534
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,903,098
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.84243

The "as if vacant" land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Special Needs
Self-Score Final:	78.169%
CTCAC Final:	78.169%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Stockton, has completed a site review of this project and strongly supports this project.

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1 1/2 miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
SPECIAL NEEDS HOUSING TYPE			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Health/behavioral services provided by licensed org. or individual	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Enhanced Accessibility and Visitability	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

North Housing PSH I, located at 500 Mosley Avenue in Alameda, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$6,449,816 in total state tax credits to finance the new construction of 44 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 Island City Development 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.

Project Number CA-23-003

Project Name North Housing PSH I
Site Address: 500 Mosley Avenue
Alameda, CA 94501
County: Alameda
Census Tract: 4287

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$6,449,816
Recommended:	\$2,500,000	\$6,449,816

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

Applicant Information

Applicant: Island City Development
Contact: Vanessa Cooper
Address: 701 Atlantic Avenue
Alameda, CA 94501
Phone: 510-747-4300
Email: vcooper@alamedahsg.org

General Partner(s) / Principal Owner(s): ICD Lakehurst LLC
General Partner Type: Nonprofit
Parent Company(ies): Island City Development
Housing Authority of the City of Alameda
Developer: Island City Development
Investor/Consultant: Community Economics, Inc
Management Agent(s): FPI Management, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 45
No. & % of Tax Credit Units: 44 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME / CDBG / HUD Section 8 Project-based Vouchers
(40 Units - 89%)

Information

Set-Aside: N/A
Housing Type: Special Needs
Type of Special Needs: Homeless
Average Targeted Affordability of Special Needs/SRO Project Units: 30.00%
% of Special Need Units: 44 units 100.00%
Geographic Area: East Bay Region
CTCAC Project Analyst: Dylan Hervey

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AML:	44	80%

Unit Mix

24 SRO/Studio Units
20 1-Bedroom Units
<u>1 2-Bedroom Units</u>
45 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
20 SRO/Studio	30%	\$750
4 SRO/Studio	30%	\$354
20 1 Bedroom	30%	\$803
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,914,140
Construction Costs	\$24,353,154
Construction Contingency	\$1,682,509
Architectural/Engineering	\$1,260,884
Const. Interest, Perm. Financing	\$4,233,867
Legal Fees	\$225,000
Reserves	\$392,938
Other Costs	\$3,760,883
Developer Fee	\$2,200,000
Total	\$41,023,374

Residential

Construction Cost Per Square Foot:	\$619
Per Unit Cost:	\$911,631
True Cash Per Unit Cost*:	\$906,075

Construction Financing

Source	Amount
JPMorgan Chase Bank	\$24,030,930
Alameda Housing Authority	\$3,000,000
AAHTF ¹	\$5,000,000
City of Alameda: HOME/CBDG	\$1,261,000
AHP	\$660,000
Land Contribution	\$2,061,601
Waived Fees	\$469,620
Tax Credit Equity	\$2,715,985

Permanent Financing

Source	Amount
JPMorgan Chase Bank	\$1,349,000
Alameda Housing Authority	\$3,000,000
AAHTF ¹	\$5,000,000
City of Alameda: HOME/CBDG	\$1,261,000
AHP	\$660,000
Land Contribution	\$2,061,601
Waived Fees	\$469,620
General Partner Equity	\$1,000
Deferred Developer Fee	\$250,000
Tax Credit Equity	\$26,971,153
TOTAL	\$41,023,374

¹Alameda Affordable Housing Trust Fund (AAHTF)

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,777,778
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,778
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$6,449,816
Investor/Consultant:	Community Economics, Inc
Federal Tax Credit Factor:	\$0.87245
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.

Tie-Breaker Information

First:	Special Needs
Self-Score Final:	61.608%
CTCAC Final:	61.608%

Significant Information / Additional Conditions

When contracting with a California-experienced property management company as described in CTCAC regulation section 10325(c)(1) (A)(ii) and (B)(ii), the general partner or property co-management entity must obtain training in: project operations, on-site certification training in federal fair housing law, and manager certification in IRS Section 42 program requirements from a CTCAC-approved, nationally recognized entity. Additionally, the experienced property management agent or an equally experienced substitute, must remain for a period of at least 3 years from the placed-in-service date (or, for ownership transfers, 3 years from the sale or transfer date) to allow for at least one (1) CTCAC monitoring visit to ensure the project is in compliance with IRC Section 42. Thereafter, the experienced property manager may transfer responsibilities to the remaining general partner or property management firm following formal written approval from CTCAC.

Staff noted a per unit cost of \$911,631. The applicant noted that the high per unit cost is attributed to the cost of land acquisition; environmental remediation; the construction type; and inflationary effects on prevailing wage labor, cost of material, and insurance. Construction projects with podium structure, and taller height typically require a premium for mat foundation and building equipment, such as tower crane, as well as additional offsite work.

Resyndication and Resyndication Transfer Event. None.

Local Reviewing Agency

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

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of a community college	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
SPECIAL NEEDS HOUSING TYPE			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Watts Arms II Apartments, located at 1724 East Century Boulevard in Los Angeles, requested and is being recommended for a reservation of \$1,586,245 in annual federal tax credits to finance the acquisition and rehabilitation of 39 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Alliance Property Group, Inc. and is located in Senate District 35 and Assembly District 65.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-23-004

Project Name Watts Arms II Apartments
Site Address: 1724 East Century Boulevard
Los Angeles, CA 90002
County: Los Angeles
Census Tract: 2422.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,586,245	\$0
Recommended:	\$1,586,245	\$0

Applicant Information

Applicant: Watts Arms II Partners, LP
Contact: Phillip Curls
Address: 1730 E. Holly Avenue, Suite 327
El Segundo, CA 90245
Phone: 323-497-1705
Email: pcurls@apg-dev.com

General Partner(s) / Principal Owner(s): APG Holdings, LLC
Community Bible Community Development Corp.
General Partner Type: Joint Venture
Parent Company(ies): Alliance Property Group Inc.
Community Bible Community Development Corp.
Developer: Alliance Property Group, Inc.
Investor/Consultant: Hunt Capital Partners
Management Agent(s): HDSI Management

Project Information

Construction Type: Acquisition and Rehabilitation
Total # Residential Buildings: 6
Total # of Units: 40
No. & % of Tax Credit Units: 39 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (39 Units - 100%)

Information

Set-Aside: N/A
Housing Type: At-Risk
Geographic Area: City of Los Angeles
CTCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	10	25%
At or Below 50% AMI:	11	25%
At or Below 60% AMI:	18	45%

Unit Mix

40 1-Bedroom Units
<u>40 Total Units</u>

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
16 1 Bedroom	60%	\$1,338
13 1 Bedroom	50%	\$1,114
10 1 Bedroom	30%	\$669
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$10,119,943
Rehabilitation Costs	\$6,936,000
Construction Contingency	\$720,944
Architectural/Engineering	\$191,464
Const. Interest, Perm. Financing	\$991,960
Legal Fees	\$215,000
Reserves	\$390,000
Other Costs	\$381,482
Developer Fee	\$1,789,235
Total	\$21,736,028

Residential

Construction Cost Per Square Foot:	\$219
Per Unit Cost:	\$543,401
True Cash Per Unit Cost*:	\$527,079

Construction Financing

<u>Source</u>	<u>Amount</u>
Rose Community Capital	\$6,168,000
Hunt Capital Partners - Bridge Loan	\$2,097,000
Deferred Costs	\$2,138,896
Tax Credit Equity	\$11,332,132

Permanent Financing

<u>Source</u>	<u>Amount</u>
Rose Community Capital	\$6,168,000
Net Operating Income	\$750,000
Deferred Developer Fee	\$652,863
Tax Credit Equity	\$14,165,165
TOTAL	\$21,736,028

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$11,343,291
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$6,503,175
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$14,746,278
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$6,503,175
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,327,165
Maximum Annual Federal Credit, Acquisition:	\$260,127
Total Maximum Annual Federal Credit:	\$1,587,292
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,789,235
Investor/Consultant:	Hunt Capital Partners
Federal Tax Credit Factor:	\$0.89300

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

Initial:	No Letter of Support
First:	At-Risk
Self-Score Final:	29.086%
CTCAC Final:	25.332%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Los Angeles, has completed a site review of this project and strongly supports this project.

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 minutes in rush hours	6	6	6
Within 1/2 mile of public park or community center open to general public	3	3	2
Within 1/2 mile of public library	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	2
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Health & wellness services and programs, minimum 100 hrs per 100 bdrms	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Lexington Gardens, located at 1201 - 1207 North Detroit Street in West Hollywood, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$4,738,506 in total state tax credits to finance the new construction of 47 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 EAH Inc. and will be located in Senate District 24 and Assembly District 51.

Project Number CA-23-005

Project Name Lexington Gardens
Site Address: 1201 - 1207 North Detroit Street
West Hollywood, CA 90046
County: Los Angeles
Census Tract: 7001.01

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$4,738,506
Recommended:	\$2,500,000	\$4,738,506

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

Applicant Information

Applicant: EAH Inc.
Contact: Welton Jordan
Address: 22 Pelican Way
San Rafael, CA 94901
Phone: (415) 295-8876
Email: Welton.Jordan@eahhousing.org

General Partner(s) / Principal Owner(s): Detroit West Hollywood EAH, LLC
EAH Community Housing Inc.
General Partner Type: Nonprofit
Parent Company(ies): EAH Inc.
Developer: EAH Inc.
Investor/Consultant: California Housing Partnership
Management Agent(s): EAH Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 48
No. & % of Tax Credit Units: 47 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (24 Units - 51%)

Information

Set-Aside: N/A
Housing Type: Special Needs
Type of Special Needs: Homeless, Individuals with developmental Disabilities
Average Targeted Affordability of Special Needs/SRO Project Units: 30.00%
% of Special Need Units: 24 units 51.06%
Geographic Area: Balance of Los Angeles County
CTCAC Project Analyst: Nick White

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	24	50%
At or Below 50% AMI:	11	20%
At or Below 60% AMI:	12	25%

Unit Mix

47 SRO/Studio Units
1 2-Bedroom Units
48 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
24 SRO/Studio	30%	\$625
12 SRO/Studio	60%	\$1,251
11 SRO/Studio	40%	\$834
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$5,230,312
Construction Costs	\$22,826,827
Rehabilitation Costs	\$0
Construction Contingency	\$2,542,032
Relocation	\$0
Architectural/Engineering	\$1,012,468
Const. Interest, Perm. Financing	\$3,790,309
Legal Fees	\$55,000
Reserves	\$359,147
Other Costs	\$1,380,253
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$39,396,348

Residential

Construction Cost Per Square Foot:	\$919
Per Unit Cost:	\$820,757
True Cash Per Unit Cost*:	\$820,234

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
US Bank	\$25,630,597	US Bank	\$566,000
LACDA ¹	\$3,309,600	LACDA ¹	\$3,360,000
DDS ²	\$1,500,000	DDS ²	\$1,500,000
City of West Hollywood	\$4,895,000	City of West Hollywood	\$4,895,000
Deferred Cost	\$1,498,860	City of West Hollywood LHTF ³	\$2,148,333
Impact Fee Waiver	\$25,100	Impact Fee Waiver	\$25,100
Tax Credit Equity	\$2,537,191	Tax Credit Equity	\$26,901,915
		TOTAL	\$39,396,348

¹ Los Angeles County Development Authority

² Department of Developmental Services

³ City of West Hollywood Low-Income Housing Trust Fund

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,379,548
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,793,412
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$4,738,506
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.91307
State Tax Credit Factor:	\$0.86000

The "as if vacant" land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Special Needs
Self-Score Final:	61.410%
CTCAC Final:	61.388%

Significant Information / Additional Conditions

Staff noted a per unit cost of \$820,234. The applicant noted factors affecting this cost include a high acquisition cost, increased construction loan interest rates, local impact fees, and subterranean parking.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of West Hollywood, has completed a site review of this project and strongly supports this project.

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
In-unit high speed internet service	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
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Enhanced Accessibility and Visitability	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Martel EAH, located at 1041-1049 North Martel Avenue in West Hollywood, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$8,000,749 in total state tax credits to finance the new construction of 49 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by EAH Inc. and will be located in Senate District 24 and Assembly District 51.

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

Project Number CA-23-006

Project Name Martel EAH
Site Address: 1041-1049 North Martel Avenue
West Hollywood, CA 90046
County: Los Angeles
Census Tract: 7001.02

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$8,000,749
Recommended:	\$2,500,000	\$8,000,749

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

Applicant Information

Applicant: EAH Inc.
Contact: Welton Jordan
Address: 22 Pelican Way
San Rafael, CA 94901
Phone: 415.295.8876
Email: welton.jordan@eahhousing.org

General Partner(s) / Principal Owner(s): Martel EAH, LLC
EAH Community Housing Inc.
General Partner Type: Nonprofit
Parent Company(ies): EAH Inc.
EAH Inc.
Developer: EAH Inc.
Investor/Consultant: US Bank
Management Agent(s): EAH Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 50
No. & % of Tax Credit Units: 49 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (25 Units - 50%)

Information

Set-Aside: N/A
 Housing Type: Seniors
 Geographic Area: Balance of Los Angeles County
 CTCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	26	50%
At or Below 50% AMI:	7	10%
At or Below 60% AMI:	16	30%

Unit Mix

12 SRO/Studio Units
35 1-Bedroom Units
<u>3 2-Bedroom Units</u>
50 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
12 SRO/Studio	30%	\$625
13 1 Bedroom	30%	\$670
1 2 Bedrooms	30%	\$804
7 1 Bedroom	50%	\$1,116
15 1 Bedroom	60%	\$1,339
1 2 Bedrooms	60%	\$1,609
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$6,860,000
Construction Costs	\$24,085,188
Construction Contingency	\$2,543,891
Architectural/Engineering	\$935,280
Const. Interest, Perm. Financing	\$4,084,785
Legal Fees	\$60,000
Reserves	\$209,093
Other Costs	\$2,547,392
Developer Fee	\$2,200,000
Total	\$43,525,629

Residential

Construction Cost Per Square Foot:	\$468
Per Unit Cost:	\$870,513
True Cash Per Unit Cost*:	\$860,513

Construction Financing

Source	Amount
US Bank	\$28,800,806
City of West Hollywood	\$6,445,000
LACDA Capital	\$3,575,550
Impact Fee Waiver	\$500,000
Deferred Costs	\$1,382,210
Tax Credit Equity	\$2,822,063

Permanent Financing

Source	Amount
US Bank - Tranche A	\$3,380,000
City of West Hollywood	\$6,445,000
LACDA Capital	\$3,630,000
Impact Fee Waiver	\$500,000
Tax Credit Equity	\$29,570,629
TOTAL	\$43,525,629

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$33,577,705
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$33,577,705
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$8,000,749
Investor/Consultant:	US Bank
Federal Tax Credit Factor:	\$0.91400
State Tax Credit Factor:	\$0.84000

The "as if vacant" land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Seniors
Self-Score Final:	49.753%
CTCAC Final:	49.317%

Significant Information / Additional Conditions

Staff noted a per unit cost of \$870,513. The applicant noted that the high per unit cost is attributed to high acquisition cost due to the location of the Project in a high rent market, increased construction loan interest rates, as well as tenant relocation costs for the units occupied at the time of acquisition.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

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

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Senior project within 1/2 mile of daily operated senior center/facility	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 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
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
SPECIAL NEEDS HOUSING TYPE			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Enhanced Accessibility and Visitability	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Alvarado Park, located at 237 Race Street in San Jose, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the new construction of 89 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Santa Clara County Housing Authority and will be located in Senate District 15 and Assembly District 26.

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 No Place Like Home (NPLH) program of HCD.

Project Number CA-23-007

Project Name Alvarado Park
Site Address: 237 Race Street
San Jose, CA 95126
County: Santa Clara
Census Tract: 5019.01

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

Applicant Information

Applicant: Alvarado Park LP
Contact: Karl Lauff
Address: 505 West Julian Street
San Jose, CA 95110
Phone: (669) 214-9902
Email: Karl.Lauff@scchousingauthority.org

General Partner(s) / Principal Owner(s): Villa Garcia, Inc.
General Partner Type: Nonprofit
Parent Company(ies): Villa Garcia, Inc.
Santa Clara County Housing Authority
Developer: Santa Clara County Housing Authority
Investor/Consultant: California Housing Partnership
Management Agent(s): John Stewart Company

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 90
No. & % of Tax Credit Units: 89 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (41 Units - 45%)

Information

Set-Aside: N/A
 Housing Type: Seniors
 Geographic Area: South and West Bay Region
 CTCAC Project Analyst: Dylan Hervey

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	41	45%
At or Below 50% AMI:	41	40%
At or Below 60% AMI:	7	5%

Unit Mix

82 1-Bedroom Units
<u>8 2-Bedroom Units</u>
90 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
37 1 Bedroom	30%	\$948
4 2 Bedrooms	30%	\$1,137
39 1 Bedroom	50%	\$1,580
2 2 Bedrooms	50%	\$1,896
6 1 Bedroom	60%	\$1,896
1 2 Bedrooms	60%	\$2,275
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$5,198,166
Construction Costs	\$45,515,064
Construction Contingency	\$5,238,815
Architectural/Engineering	\$2,311,831
Const. Interest, Perm. Financing	\$4,301,122
Legal Fees	\$170,000
Reserves	\$544,712
Other Costs	\$3,852,192
Developer Fee	\$2,200,000
Total	\$69,331,902

Residential

Construction Cost Per Square Foot:	\$572
Per Unit Cost:	\$770,354
True Cash Per Unit Cost*:	\$770,354

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo	\$31,779,340	CCRC	\$13,213,000
SCCHA MTW ¹	\$22,910,000	SCCHA MTW ¹	\$22,910,000
Santa Clara County - Measure A	\$6,400,000	Santa Clara County - Measure A	\$6,400,000
Santa Clara County - NPLH	\$4,600,000	Santa Clara County - NPLH	\$4,600,000
Deferred Costs	\$1,906,612	Tax Credit Equity	\$22,208,902
Tax Credit Equity	\$1,735,950	TOTAL	\$69,331,902

¹Santa Clara County Housing Authority (SCCHA)

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,367,521
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,777
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.88836

The "as if vacant" land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Seniors
Self-Score Final:	104.474%
CTCAC Final:	104.165%

Significant Information / Additional Conditions:

Development costs are roughly \$770,354 per unit. The factors affecting this cost include the demolition and abatement, covered podium parking, and electric vehicle charging stations.

Resyndication and Resyndication Transfer Event None.

Local Reviewing Agency

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

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Senior project within 3/4 mile of daily operated senior center/facility	2	2	2
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 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
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Casas Del Rio, located at 1740 East La Veta Avenue in Orange, requested and is being recommended for a reservation of \$928,294 in annual federal tax credits to finance the acquisition and rehabilitation of 39 units of housing serving tenants with rents affordable to households earning 30% of area median income (AMI). The project will be developed by Valued Housing II, LLC and is located in Senate District 37 and Assembly District 68.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will 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-23-009

Project Name Casas Del Rio

Site Address: 1740 East La Veta Avenue
Orange, CA 92866

County: Orange

Census Tract: 758.06

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$928,294	\$0
Recommended:	\$928,294	\$0

Applicant Information

Applicant: Curio Housing LP

Contact: Kenneth Robertson

Address: 14131 Yorba Street
Orange, CA 92780

Phone: 714-803-7200

Email: ksr@riversidecharitable.org

General Partner(s) / Principal Owner(s): 1740 LaVeta LLC
VH Casas Del Rio GP, LLC

General Partner Type: Joint Venture

Parent Company(ies): Riverside Charitable Corporation
Valued Housing II LLC

Developer: Valued Housing II, LLC

Investor/Consultant: R4 Capital

Management Agent(s): Barker Management, Inc.

Project Information

Construction Type: Acquisition and Rehabilitation

Total # Residential Buildings: 1

Total # of Units: 40

No. & % of Tax Credit Units: 39 100%

Federal Set-Aside Elected: 40%/60%

Federal Subsidy: HUD Section 8 Project-based Contract (39 Units - 100%)

Information

Set-Aside: At-Risk
Housing Type: At-Risk
Geographic Area: N/A
CTCAC Project Analyst: Jacob Paixao

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	39	80%

Unit Mix

10 SRO/Studio Units
24 1-Bedroom Units
6 2-Bedroom Units
<u>40 Total Units</u>

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
10 SRO/Studio	30%	\$711
24 1 Bedroom	30%	\$762
5 2 Bedrooms	30%	\$915
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$10,700,000
Construction Costs	\$0
Rehabilitation Costs	\$3,400,050
Construction Contingency	\$415,005
Relocation	\$400,000
Architectural/Engineering	\$204,856
Const. Interest, Perm. Financing	\$1,658,968
Legal Fees	\$110,000
Reserves	\$265,592
Other Costs	\$182,390
Developer Fee	\$1,255,137
Commercial Costs	\$0
Total	\$18,591,998

Residential

Construction Cost Per Square Foot:	\$112
Per Unit Cost:	\$464,800
True Cash Per Unit Cost*:	\$464,800

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Lument Real Estate Capital LLC	\$7,600,000	Lument Real Estate Capital LLC	\$7,600,000
Riverside Charitable Corp.	\$4,798,195	Net Operating Income	\$237,352
Net Operating Income	\$148,666	Ground Lease Value	\$2,400,000
Ground Lease Value	\$2,400,000	Tax Credit Equity	\$8,354,646
Deferred Developer Fee	\$1,255,137	TOTAL	\$18,591,998
Tax Credit Equity	\$2,390,000		

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$6,441,048
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$8,715,000
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$6,441,048
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$8,715,000
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$579,694
Maximum Annual Federal Credit, Acquisition:	\$348,600
Total Maximum Annual Federal Credit:	\$928,294
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,255,137
Investor/Consultant:	R4 Capital
Federal Tax Credit Factor:	\$0.90000

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	At-Risk
Self-Score Final:	29.995%
CTCAC Final:	29.995%

Significant Information / Additional Conditions

The project's pro forma shows a Debt Service Coverage Ratio below limits established by CTCAC Regulations. Pursuant to CTCAC Regulations 10327(g), the shortage of cash flow is within the \$25,000 limit allowed by Committee. The applicant must correct the cash flow shortage in the readiness submission.

Local Reviewing Agency

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

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/8 mile of transit station or public bus stop	4	4	4
Within 3/4 mile of public park or community center open to general public	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
In-unit high speed internet service	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
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Yurok Homes #4, located at 80 Cedar Lane in Klamath Glen, requested and is being recommended for a reservation of \$1,739,667 in annual federal tax credits to finance the new construction of 23 units of housing serving families with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by Yurok Indian Housing Authority and will be located in Senate District 2 and Assembly District 2.

The project will be receiving rental assistance in the form of Housing Assistance Payments from the Yurok Indian Housing Authority.

Project Number CA-23-013

Project Name Yurok Homes #4
Site Address: 80 Cedar Lane
Klamath Glen, CA 95548
County: Del Norte
Census Tract: 2.03

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,739,667	\$0
Recommended:	\$1,739,667	\$0

Applicant Information

Applicant: Yurok Homes #4 LP
Contact: Nicole Sager
Address: 15540 US Highway 101 North
Klamath, CA 95548
Phone: 707-482-1506
Email: nsager@yurokhousing.com

General Partner(s) / Principal Owner(s): Yurok Indian Housing Authority
General Partner Type: Nonprofit
Parent Company(ies): Yurok Indian Housing Authority
Developer: Yurok Indian Housing Authority
Investor/Consultant: RBC Community Investments
Management Agent(s): Yurok Indian Housing Authority
Barker Management Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 12
Total # of Units: 24
No. & % of Tax Credit Units: 23 100%
Federal Set-Aside Elected: 40%/60% Average Income
Federal Subsidy: None

Information

Set-Aside: Rural (Native American apportionment)
 Housing Type: Large Family
 Geographic Area: N/A
 CTCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	5	20%
At or Below 40% AMI:	5	20%
At or Below 50% AMI (Rural):	8	30%
At or Below 80% AMI:	5	20%

Unit Mix

12 1-Bedroom Units
 12 3-Bedroom Units
24 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 1 Bedroom	30%	\$261
2 1 Bedroom	40%	\$311
4 1 Bedroom	50%	\$361
3 1 Bedroom	80%	\$411
2 3 Bedrooms	30%	\$404
3 3 Bedrooms	40%	\$554
4 3 Bedrooms	50%	\$704
2 3 Bedrooms	80%	\$904
1 3 Bedrooms	Manager's Unit	\$1,000

Project Cost Summary at Application

Land and Acquisition	\$0
Construction Costs	\$16,309,118
Rehabilitation Costs	\$0
Construction Contingency	\$812,970
Relocation	\$0
Architectural/Engineering	\$817,894
Const. Interest, Perm. Financing	\$90,000
Legal Fees	\$72,500
Reserves	\$30,545
Other Costs	\$216,073
Developer Fee	\$600,000
Commercial Costs	\$0
Total	\$18,949,100

Residential

Construction Cost Per Square Foot:	\$612
Per Unit Cost:	\$789,546
True Cash Per Unit Cost:	\$789,546

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Yurok Indian Housing Authority	\$4,685,256	Yurok Indian Housing Authority	\$4,685,256
Tax Credit Equity	\$14,263,844	Tax Credit Equity	\$14,263,844
		TOTAL	\$18,949,100

Determination of Credit Amount(s)

Requested Eligible Basis:	\$14,868,950
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$19,329,635
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,739,667
Approved Developer Fee (Project Cost & Eligible Basis):	\$600,000
Investor/Consultant:	RBC Community Investments
Federal Tax Credit Factor:	\$0.81992

The "as if vacant" land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

Self-Score Final:	70.85%
CTCAC Final:	70.85%

Significant Information / Additional Conditions

Staff noted a per unit project cost of \$789,546. The applicant noted this cost is attributed primarily to continued rising general construction costs as well as significant required infrastructure work.

This project requested and was granted a waiver for the recreational facilities requirement for children ages 2-12 and 13-17 under CTCAC regulation Section 10325(g)(1)(D). The project is adjacent to nearby, readily accessible recreational facilities that include an outdoor playground with play equipment for children ages 2-12 years and a full basketball court for teens ages 13-17 years.

Pursuant to CTCAC Regulation Section 10326(g)(5), general partners and management companies lacking documented experience with Section 42 requirements using the minimum scoring standards at Section 10325(c)(2)(A) and (B) shall be required to complete training as prescribed by CTCAC prior to a project's placing in service.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

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

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	0	0	0
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Other Services Specialist, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	94	94	94

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Shasta Lake Redevelopment, located at 4601 Shasta Dam Boulevard in Shasta Lake, requested and is being recommended for a reservation of \$2,441,500 in annual federal tax credits to finance the new construction of 48 units of housing serving families with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by ADK Properties LLC and will be located in Senate District 1 and Assembly District 1.

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

Project Number CA-23-016

Project Name Shasta Lake Redevelopment
Site Address: 4601 Shasta Dam Boulevard
Shasta Lake, CA 96019
County: Shasta
Census Tract: 117.03

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,441,500	\$0
Recommended:	\$2,441,500	\$0

Applicant Information

Applicant: Shasta Lake Downtown Housing, LP
Contact: Daniel Knott
Address: 1011 Parkview Avenue, Suite A
Redding, CA 96001
Phone: (530) 244-0595
Email: dknott@k2dci.com

General Partner(s) / Principal Owner(s): Shasta Lake Downtown Housing LLC
Community Revitalization and Development Company
General Partner Type: Joint Venture
Parent Company(ies): ADK Properties LLC
Community Revitalization and Development Company
Developer: ADK Properties LLC
Investor/Consultant: Raymond James
Management Agent(s): FPI Management Inc

Project Information

Construction Type: New Construction
Total # Residential Buildings: 4
Total # of Units: 49
No. & % of Tax Credit Units: 48 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: CDBG-DR / HUD Section 8 Project-based Vouchers (48 Units - 100%)

Information

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

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	11	23%
At or Below 40% AMI:	10	21%
At or Below 50% AMI (Rural):	27	56%

Unit Mix

15 1-Bedroom Units
20 2-Bedroom Units
<u>14 3-Bedroom Units</u>
49 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
4 1 Bedroom	30%	\$447
3 1 Bedroom	40%	\$596
8 1 Bedroom	50%	\$745
4 2 Bedrooms	30%	\$536
4 2 Bedrooms	40%	\$715
11 2 Bedrooms	50%	\$893
3 3 Bedrooms	30%	\$619
3 3 Bedrooms	40%	\$826
8 3 Bedrooms	50%	\$1,032
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,798,685
Construction Costs	\$26,378,826
Rehabilitation Costs	\$0
Construction Contingency	\$1,488,064
Relocation	\$0
Architectural/Engineering	\$1,471,969
Const. Interest, Perm. Financing	\$3,839,237
Legal Fees	\$280,422
Reserves	\$236,785
Other Costs	\$1,418,452
Developer Fee	\$2,200,000
Commercial Costs	\$572,331
Total	\$39,684,771

Residential

Construction Cost Per Square Foot:	\$475
Per Unit Cost:	\$797,492
True Cash Per Unit Cost*:	\$774,373

Construction Financing

<u>Source</u>	<u>Amount</u>
Citibank	\$27,142,227
HCD: AHSC	\$3,635,000
County of Shasta: CDBG-DR	\$1,736,270
City of Shasta: CDBG-DR	\$1,331,634
City of Shasta: Land Note	\$947,000
Deferred Developer Fee	\$1,697,327
Tax Credit Equity	\$3,195,313

Permanent Financing

<u>Source</u>	<u>Amount</u>
Citibank	\$4,080,000
HCD: AHSC	\$5,841,661
HCD: AHSC (Grant)	\$3,635,000
County of Shasta: CDBG-DR	\$1,736,270
City of Shasta: CDBG-DR	\$1,331,634
City of Shasta: Land Note	\$947,000
Acquisition Loan ¹	\$607,671
Deferred Developer Fee	\$203,447
Tax Credit Equity	\$21,302,088
TOTAL	\$39,684,771

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

¹Commercial Loan

Determination of Credit Amount(s)

Requested Eligible Basis:	\$20,867,521
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,127,777
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,441,500
Approved Developer Fee in Project Cost:	\$2,200,000
Approved Developer Fee in Eligible Basis:	\$2,164,660
Investor/Consultant:	Raymond James
Federal Tax Credit Factor:	\$0.87250

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	66.653%
CTCAC Final:	66.653%

Significant Information / Additional Conditions

This project has a cost per unit of \$774,373, which is due to numerous components and amenities required or incentivized by the AHSC program, including Cal Green Energy requirements, bike storage units, and transit passes. Additionally, the project is funding infrastructure improvements, as well as linkages to public transportation.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

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

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of transit station or public bus stop	3	3	3
Within 1 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	3	3	3
Within ½ mile of a neighborhood market of at least 5,000 sf	4	4	4
Within 1 mile of a public high school	3	3	3
Within 1 mile of medical clinic or hospital	3	3	3
Within 2 miles of a pharmacy	1	1	1
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Cypress Lane Family Apartments, located at 1633 Cypress Lane in Paradise, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$5,355,715 in total state tax credits to finance the new construction of 69 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Mercy Housing California and will be located in Senate District 1 and Assembly District 3.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Community Development Block Grant - Disaster Recovery Multifamily Housing Program (CDBG-DR-MHP) program of HCD.

Project Number CA-23-017

Project Name Cypress Lane Family Apartments
Site Address: 1633 Cypress Lane
Paradise, CA 95969
County: Butte
Census Tract: 19

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$5,355,715
Recommended:	\$2,500,000	\$5,355,715

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

Applicant Information

Applicant: Mercy Housing California
Contact: Jeffrey Riley
Address: 2512 River Plaza Drive, Suite 200
Sacramento, CA 95833
Phone: (916)414-4406
Email: jriley@mercyhousing.org

General Partner(s) / Principal Owner(s): Mercy Housing California
Community Housing Improvement Program, Inc.
General Partner Type: Joint Venture
Parent Company(ies): Mercy Housing Calwest
Developer: Mercy Housing California
Investor/Consultant: California Housing Partnership
Management Agent(s): Community Housing Improvement Program, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 8
Total # of Units: 70
No. & % of Tax Credit Units: 69 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: CDBG-DR / HUD Section 8 Project-based Vouchers (25 Units - 100%)

Information

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

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AMI:	11	15%
At or Below 40% AMI:	9	10%
At or Below 50% AMI:	27	35%
At or Below 60% AMI:	22	30%

Unit Mix

24 1-Bedroom Units
28 2-Bedroom Units
18 3-Bedroom Units
70 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
4 1 Bedroom	30%	\$438
4 2 Bedrooms	30%	\$526
3 3 Bedrooms	30%	\$607
3 1 Bedroom	40%	\$585
4 2 Bedrooms	40%	\$702
2 3 Bedrooms	40%	\$810
10 1 Bedroom	50%	\$731
10 2 Bedrooms	50%	\$877
7 3 Bedrooms	50%	\$1,013
7 1 Bedroom	60%	\$877
9 2 Bedrooms	60%	\$1,053
6 3 Bedrooms	60%	\$1,215
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,633,563
Construction Costs	\$26,141,566
Rehabilitation Costs	\$0
Construction Contingency	\$3,306,250
Relocation	\$0
Architectural/Engineering	\$1,504,653
Const. Interest, Perm. Financing	\$3,172,115
Legal Fees	\$280,000
Reserves	\$318,335
Other Costs	\$1,544,264
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$40,100,746

Residential

Construction Cost Per Square Foot:	\$406
Per Unit Cost:	\$572,868
True Cash Per Unit Cost*:	\$572,868

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo	\$22,581,854	CDBG - DR	\$14,278,677
CDBG - DR	\$12,850,809	General Partner Equity	\$100
Deferred Costs	\$2,274,786	Tax Credit Equity	\$25,821,969
General Partner Equity	\$100	TOTAL	\$40,100,746
Tax Credit Equity	\$2,393,197		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,777,778
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,778
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$5,355,715
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Federal Tax Credit Factor:	\$0.86150
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.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	59.530%
CTCAC Final:	59.530%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, Town of Paradise, has completed a site review of this project and strongly supports this project.

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1 mile of public park or community center open to general public	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/4 mile of a public elementary school	3	3	3
Within 1 mile of medical clinic or hospital	3	3	3
Within 2 miles of a pharmacy	1	1	1
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
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Larkin Place, located at 731 Harrison Avenue in Claremont, requested and is being recommended for a reservation of \$1,163,000 in annual federal tax credits to finance the new construction of 32 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 Jamboree Housing Corporation and will be located in Senate District 25 and Assembly District 41.

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

Project Number CA-23-020

Project Name Larkin Place
Site Address: 731 Harrison Avenue
Claremont, CA 91711
County: Los Angeles
Census Tract: 4019.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,163,000	\$0
Recommended:	\$1,163,000	\$0

Applicant Information

Applicant: Larkin Place Housing Partners LP
Contact: Tish Kelly
Address: 17701 Cowan Avenue, Suite 200
Irvine, CA 92614
Phone: (949) 214-2350
Email: tkelly@jamboreehousing.com

General Partner(s) / Principal Owner(s): JHC-Larkin Place LLC
General Partner Type: Nonprofit
Parent Company(ies): Jamboree Housing Corporation
Developer: Jamboree Housing Corporation
Investor/Consultant: Red Stone Equity
Management Agent(s): Quality Management Group

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 33
No. & % of Tax Credit Units: 32 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (32 Units - 100%)

Information

Set-Aside: Nonprofit (Homeless assistance)
 Housing Type: Special Needs
 Type of Special Needs: Homeless / People with Disabilities
 Average Targeted Affordability of Special Needs/SRO Project Units: 30.00%
 % of Special Need Units: 32 units 100.00%
 Geographic Area: N/A
 CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AMI:	32	100%

Unit Mix

8 SRO/Studio Units
 24 1-Bedroom Units
1 2-Bedroom Units
 33 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
8 SRO/Studio	30%	\$340
24 1 Bedroom	30%	\$340
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,353,832
Construction Costs	\$12,387,553
Rehabilitation Costs	\$0
Construction Contingency	\$1,211,268
Relocation	\$0
Architectural/Engineering	\$688,000
Const. Interest, Perm. Financing	\$2,063,741
Legal Fees	\$745,837
Reserves	\$162,877
Other Costs	\$2,456,278
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$23,269,386

Residential

Construction Cost Per Square Foot:	\$539
Per Unit Cost:	\$705,133
True Cash Per Unit Cost*:	\$689,457

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Banner Bank	\$10,800,000	Banner Bank	\$4,692,429
LACDA AHTF	\$4,710,000	LACDA AHTF	\$4,710,000
SGVRHT	\$3,000,000	SGVRHT	\$3,000,000
Deferred Costs	\$334,486	Deferred Developer Fee	\$517,292
Deferred Developer Fee	\$1,320,000	Tax Credit Equity	\$10,349,665
Tax Credit Equity	\$3,104,900	TOTAL	\$23,269,386

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$9,940,170
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$12,922,221
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,163,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Red Stone Equity
Federal Tax Credit Factor:	\$0.88991

The "as if vacant" land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Special Needs
Self-Score Final:	82.866%
CTCAC Final:	82.738%

Significant Information / Additional Conditions

The project has a per unit cost of \$689,457, which is due to inflation resulting in rising construction costs, higher interest rates, as well as prevailing wages and above average impact fees.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Claremont, has completed a site review of this project and supports this project.

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
SPECIAL NEEDS HOUSING TYPE			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Serenade on 43rd, located at 4030 43rd Street in San Diego, requested and is being recommended for a reservation of \$2,118,713 in annual federal tax credits to finance the new construction & rehabilitation of 64 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 Wakeland Housing and Development Corporation and is located in Senate District 39 and Assembly District 79.

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 No Place Like Home (NPLH) & Infill Infrastructure Grant (IIG) programs of HCD.

Project Number CA-23-025

Project Name Serenade on 43rd
Site Address: 4030 43rd Street
San Diego, CA 92105
County: San Diego
Census Tract: 22.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,118,713	\$0
Recommended:	\$2,118,713	\$0

Applicant Information

Applicant: Serenade 43, LP
Contact: Rebecca Louie
Address: 1230 Columbia Street
San Diego, CA 92101
Phone: 619.677.2325
Email: rlouie@wakelandhdc.com

General Partner(s) / Principal Owner(s): Wakeland Serenade 43 LLC
TACHS 43rd Street Apartments, LLC

General Partner Type: Nonprofit

Parent Company(ies): Wakeland Housing and Development Corp
The Association for Community Housing Solutions

Developer: Wakeland Housing and Development Corporation

Investor/Consultant: California Housing Partnership

Management Agent(s): ConAm Management Corporation

Project Information

Construction Type: New Construction & Rehabilitation
 Total # Residential Buildings: 3
 Total # of Units: 65
 No. & % of Tax Credit Units: 64 100%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: CDBG / HUD Section 8 Project-based Vouchers (32 Units - 50%)

Information

Set-Aside: Nonprofit (Homeless assistance)
 Housing Type: Special Needs
 At least 20% 1-bedroom units and 10% larger than 1-bedroom units
 Type of Special Needs: Homeless
 Average Targeted Affordability of Special Needs/SRO Project Units: 34.32%
 % of Special Need Units: 32 units 50.00%
 Geographic Area: N/A
 CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	33	52%
At or Below 40% AMI:	1	2%
At or Below 60% AMI:	30	47%

Unit Mix

28 SRO/Studio Units
 25 1-Bedroom Units
 9 2-Bedroom Units
3 3-Bedroom Units
 65 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
22 SRO/Studio	30%	\$683
1 SRO/Studio	40%	\$911
2 SRO/Studio	60%	\$911
3 SRO/Studio	60%	\$1,366
4 1 Bedroom	30%	\$732
3 1 Bedroom	60%	\$1,464
1 2 Bedrooms	30%	\$878
5 2 Bedrooms	60%	\$1,463
1 3 Bedrooms	30%	\$1,015
2 3 Bedrooms	60%	\$2,030
5 1 Bedroom	30%	\$732
11 1 Bedroom	60%	\$976
2 1 Bedroom	60%	\$1,145
2 2 Bedrooms	60%	\$1,463
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$6,923,660
Construction Costs	\$17,836,941
Rehabilitation Costs	\$3,444,572
Construction Contingency	\$1,741,445
Relocation	\$820,000
Architectural/Engineering	\$1,625,000
Const. Interest, Perm. Financing	\$2,497,822
Legal Fees	\$120,000
Reserves	\$714,167
Other Costs	\$1,638,283
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$39,561,890

Residential

Construction Cost Per Square Foot:	\$412
Per Unit Cost:	\$608,644
True Cash Per Unit Cost*:	\$508,644

Construction Financing

Source	Amount
Wells Fargo	\$17,413,011
HCD: IIG	\$3,699,360
County of San Diego: NPLH	\$5,792,809
City of San Diego: CDBG	\$6,500,000
SDHC ¹	\$1,900,000
Impact Fee Waiver	\$391,873
Deferred Costs	\$2,065,817
Tax Credit Equity	\$1,799,020

Permanent Financing

Source	Amount
CCRC	\$1,194,000
HCD: IIG	\$3,699,360
County of San Diego: NPLH	\$6,436,454
City of San Diego: CDBG	\$6,500,000
SDHC ¹	\$2,000,000
Impact Fee Waiver	\$391,873
Tax Credit Equity	\$19,340,203
TOTAL	\$39,561,890

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

¹San Diego Housing Commission

Determination of Credit Amount(s)

Requested Eligible Basis:	\$18,108,654
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$23,541,250
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,118,713
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.91283

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Special Needs
Self-Score Final:	84.599%
CTCAC Final:	84.599%

Significant Information / Additional Conditions

Per CTCAC Regulations Section 10325(g), all projects must provide one-bedroom units with at least 450 square feet of living space and two-bedroom units with at least 700 square feet of living space. These limits may be waived for rehabilitation projects, and this project has requested and received a waiver of the minimum square footage for 12 one-bedroom and 2 two-bedroom rehabilitated units. The new construction units will exceed the minimum square footage requirements.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, San Diego Housing Commission, has completed a site review of this project and strongly supports this project.

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 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
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
SPECIAL NEEDS HOUSING TYPE			
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Orchard Grove, located at 12131-12222 Tamerlane Drive in Garden Grove, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$6,184,733 in total state tax credits to finance the acquisition and rehabilitation of 77 units of housing serving tenants with rents affordable to households earning 20%-60% of area median income (AMI). The project will be developed by Affordable Housing Access, Inc. and is located in Senate District 34 and Assembly District 70.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years.

Project Number CA-23-026

Project Name Orchard Grove
Site Address: 12131-12222 Tamerlane Drive
Garden Grove, CA 92840
County: Orange
Census Tract: 884.02

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$6,184,733
Recommended:	\$2,500,000	\$6,184,733

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

Applicant Information

Applicant: Affordable Housing Access, Inc.
Contact: Shawn Boyd
Address: 3920 Birch Street, Suite 103
Newport Beach, CA 92660
Phone: (949) 253-3120
Email: sboyd@ahaccess.org

General Partner(s) / Principal Owner(s): AHA NGGC, LLC
Kingdom Village, LLC
General Partner Type: Joint Venture
Parent Company(ies): Affordable Housing Access, Inc.
Kingdom Development, In.
Developer: Affordable Housing Access, Inc.
Investor/Consultant: R4 Capital, LLC
Management Agent(s): Aperto

Project Information

Construction Type: Acquisition and Rehabilitation
Total # Residential Buildings: 15
Total # of Units: 78
No. & % of Tax Credit Units: 77 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: None

Information

Set-Aside: Nonprofit (qualified nonprofit organization)
Housing Type: At-Risk
Geographic Area: N/A
CTCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 20% AMI:	8	10%
At or Below 40% AMI:	9	10%
At or Below 50% AMI:	30	40%
At or Below 60% AMI:	30	35%

Unit Mix

31 1-Bedroom Units
38 2-Bedroom Units
9 3-Bedroom Units
<u>78 Total Units</u>

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 1 Bedroom	20%	\$508
4 2 Bedrooms	20%	\$610
3 3 Bedrooms	20%	\$704
9 2 Bedrooms	40%	\$1,220
16 1 Bedroom	50%	\$1,270
14 2 Bedrooms	50%	\$1,525
14 1 Bedroom	60%	\$1,524
11 2 Bedrooms	60%	\$1,830
5 3 Bedrooms	60%	\$2,114
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$24,153,948
Construction Costs	\$0
Rehabilitation Costs	\$13,724,688
Construction Contingency	\$1,922,468
Relocation	\$585,000
Architectural/Engineering	\$850,000
Const. Interest, Perm. Financing	\$2,596,654
Legal Fees	\$565,000
Reserves	\$279,649
Other Costs	\$514,570
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$47,391,977

Residential

Construction Cost Per Square Foot:	\$230
Per Unit Cost:	\$607,589
True Cash Per Unit Cost*:	\$606,771

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank	\$21,138,680	Citibank: Permanent	\$5,329,182
Citibank: Permanent	\$5,329,182	City of Garden Grove ¹	\$3,646,000
City of Garden Grove ²	\$8,879,321	City of Garden Grove ²	\$8,879,321
City of Garden Grove ³	\$3,277,973	City of Garden Grove ³	\$3,277,973
Deferred Costs	\$2,527,689	Deferred Developer Fee	\$63,841
Tax Credit Equity	\$6,239,132	Tax Credit Equity	\$26,195,661
		TOTAL	\$47,391,977

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

¹City of Garden Grove: New Financing

²City of Garden Grove: Existing Debt

³City of Garden Grove: Forgiven Interest

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$20,617,835
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$16,965,842
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$20,617,835
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$16,965,842
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,855,605
Maximum Annual Federal Credit, Acquisition:	\$678,634
Total Maximum Annual Federal Credit:	\$2,534,239
Total State Credit:	\$5,820,980
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	R4 Capital, LLC
Federal Tax Credit Factor:	\$0.84992
State Tax Credit Factor:	\$0.80000

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Tie-Breaker Information

First:	At-Risk
Self-Score Final:	36.777%
CTCAC Final:	36.777%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Garden Grove, has completed a site review of this project and strongly supports this project.

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

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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 CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1 mile of public library	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of medical clinic or hospital	2	2	2
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Cleaver & Clark Commons, located at 1206 West Grand and 164 South 13th Street in Grover Beach, requested and is being recommended for a reservation of \$2,192,140 in annual federal tax credits to finance the new construction of 52 units of housing serving families with rents affordable to households earning 20%-60% of area median income (AMI). The project will be developed by People's Self-Help Housing and will be located in Senate District 17 and Assembly District 30.

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 Multifamily Housing Program (MHP), Joe Serna Farmworkers Housing Grant (FWHG), and Permanent Local Housing Allocation (PLHA) programs of HCD.

Project Number CA-23-030

Project Name Cleaver & Clark Commons
Site Address: 1206 West Grand and 164 South 13th Street
Grover Beach, CA 93433
County: San Luis Obispo
Census Tract: 120.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,192,140	\$0
Recommended:	\$2,192,140	\$0

Applicant Information

Applicant: Cleaver & Clark Commons, L.P.
Contact: Veronica Garcia
Address: 1060 Kendall Road
San Luis Obispo, CA 93041
Phone: (805) 651-3592
Email: veronicag@pshhc.org

General Partner(s) / Principal Owner(s): Cleaver & Clark Commons, LLC
San Luis Obispo Nonprofit Group
People's Self-Help Housing Corporation
Parent Company(ies): People's Self-Help Housing Corp
Developer: People's Self-Help Housing
Investor/Consultant: California Housing Partnership
Management Agent(s): The Duncan Group

Project Information

Construction Type: New Construction
Total # Residential Buildings: 2
Total # of Units: 53
No. & % of Tax Credit Units: 52 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (21 Units - 40%)

Information

Set-Aside: N/A
 Housing Type: Large Family
 Geographic Area: Central Coast Region
 CTCAC Project Analyst: Nick White

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 20% AMI:	6	10%
At or Below 30% AMI:	19	35%
At or Below 50% AMI:	10	15%

Unit Mix

24 1-Bedroom Units
15 2-Bedroom Units
<u>14 3-Bedroom Units</u>
53 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 1 Bedroom	20%	\$410
3 2 Bedrooms	20%	\$492
7 1 Bedroom	30%	\$615
3 2 Bedrooms	30%	\$738
5 3 Bedrooms	30%	\$853
1 1 Bedroom	30%	\$615
2 2 Bedrooms	30%	\$738
1 3 Bedrooms	30%	\$853
5 1 Bedroom	50%	\$1,026
3 2 Bedrooms	50%	\$1,231
2 3 Bedrooms	50%	\$1,422
8 1 Bedroom	60%	\$1,231
4 2 Bedrooms	60%	\$1,477
5 3 Bedrooms	60%	\$1,707
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,992,360
Construction Costs	\$25,110,015
Rehabilitation Costs	\$0
Construction Contingency	\$1,657,613
Relocation	\$0
Architectural/Engineering	\$1,000,000
Const. Interest, Perm. Financing	\$5,082,294
Legal Fees	\$450,000
Reserves	\$385,507
Other Costs	\$2,093,944
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$40,971,733

Residential

Construction Cost Per Square Foot:	\$495
Per Unit Cost:	\$773,052
True Cash Per Unit Cost*:	\$773,052

Construction Financing

Source	Amount
Chase Bank	\$26,913,034
HCD: Joe Serna	\$2,774,332
HASLO ¹	\$1,618,000
SLOC: Housing Trust Fund ²	\$1,100,000
City of Grover Beach: PLHA	\$4,750,000
Deferred Costs	\$1,622,238
Tax Credit Equity	\$2,194,129

Permanent Financing

Source	Amount
Chase Bank	\$4,017,000
HCD: MHP	\$8,077,499
HCD: Joe Serna	\$2,774,332
HASLO ¹	\$1,618,000
SLOC: Housing Trust Fund ²	\$1,100,000
City of Grover Beach: PLHA	\$4,750,000
Tax Credit Equity	\$18,634,902

¹Housing Authority of San Luis Obispo

²San Luis Obispo County

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$24,357,109
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$24,357,109
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,192,140
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.85008

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	72.495%
CTCAC Final:	73.294%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$773,052. The applicant noted that the high per unit cost is attributed to prevailing wage requirements, high and unpredictable interest rates, and increased insurance cost.

The current legal description is part of a larger site and the project site’s parcel (legal description and APN) have not yet been finalized. The legal description and APN for CA-23-070 must be completed as part of the placed in service package.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Grover Beach, has completed a site review of this project and strongly supports this project.

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1/4 mile of a public elementary school	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within 1/2 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
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Wheatland Senior Apartments, located at 810 1st Street in Wheatland, requested and is being recommended for a reservation of \$1,064,729 in annual federal tax credits to finance the new construction of 31 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 6 and Assembly District 3.

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

Project Number CA-23-046

Project Name Wheatland Senior Apartments

Site Address: 810 1st Street
Wheatland, CA 95692
County: Yuba
Census Tract: 408

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,064,729	\$0
Recommended:	\$1,064,729	\$0

Applicant Information

Applicant: Wheatland Senior Associates, a California Limited Partnership
Contact: Caleb Roope
Address: 430 E. State Street, Suite 100
Eagle, ID 83616
Phone: 208.461.0022
Email: calebr@tpchousing.com

General Partner(s) / Principal Owner(s): Building Better Partnerships, Inc.
TPC Holdings IX, LLC
General Partner Type: Joint Venture
Parent Company(ies): Building Better Partnerships, Inc.
The Pacific Companies
Developer: Pacific West Communities, Inc.
Investor/Consultant: Boston Financial
Management Agent(s): Buckingham Property Management

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 32
No. & % of Tax Credit Units: 31 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME / HUD Section 8 Project-based Vouchers (10 Units - 32%)

Information

Set-Aside: Rural apportionment (HOME)
 Housing Type: Seniors
 Geographic Area: N/A
 CTCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	4	10%
At or Below 40% AMI:	4	10%
At or Below 50% AMI (Rural):	16	50%
At or Below 60% AMI:	7	20%

Unit Mix

26 1-Bedroom Units
6 2-Bedroom Units
<u>32 Total Units</u>

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 1 Bedroom	30%	\$438
3 1 Bedroom	40%	\$585
14 1 Bedroom	50%	\$731
6 1 Bedroom	60%	\$877
1 2 Bedrooms	30%	\$526
1 2 Bedrooms	40%	\$702
2 2 Bedrooms	50%	\$877
1 2 Bedrooms	60%	\$1,053
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$500,000
Construction Costs	\$9,894,170
Rehabilitation Costs	\$0
Construction Contingency	\$700,000
Relocation	\$0
Architectural/Engineering	\$575,000
Const. Interest, Perm. Financing	\$600,400
Legal Fees	\$50,000
Reserves	\$122,629
Other Costs	\$1,589,294
Developer Fee	\$1,986,554
Commercial Costs	\$0
Total	\$16,018,047

Residential

Construction Cost Per Square Foot:	\$474
Per Unit Cost:	\$500,564
True Cash Per Unit Cost*:	\$500,564

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
California Bank & Trust	\$7,311,545	California Bank & Trust	\$1,000,000
Wheatland - HOME Loan	\$5,074,328	Wheatland - HOME Loan	\$5,638,142
Wheatland - Fee Deferral Loan	\$650,000	Wheatland - Fee Deferral Loan	\$650,000
Deferred Developer Fee	\$1,986,554	Tax Credit Equity	\$8,729,905
Deferred Costs	\$122,629	TOTAL	\$16,018,047
Tax Credit Equity	\$872,991		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$9,100,250
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$11,830,325
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,064,729
Approved Developer Fee (Cost & Eligible Basis):	\$1,986,554
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.81992

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

Self-Score Final:	64.150%
CTCAC Final:	64.150%

Significant Information / Additional Conditions

Projects with funding and/or subsidies from HUD are required to use Utility Allowances (UAs) approved by HUD. The applicant’s use of the CUAC for Wheatland Senior Apartments, CA-23-046, is subject to approval by HUD.

The project includes construction of a space that staff has deemed a community service facility. Given the community service building is not located in a qualified census tract, the prorated costs for the community service facility based on square footage shall be excluded from eligible basis.

Resyndication and Resyndication Transfer Event: None

Local Reviewing Agency

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

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Van or dial-a-ride service provided to tenants (Rural set-aside only)	4	4	4
Within 1 mile of a public park or community center (Rural set-aside only)	3	3	3
Within 1/2 mile of a neighborhood market of at least 5,000 sf (Rural)	4	4	4
Within 1 mile of medical clinic or hospital (Rural set-aside only)	3	3	3
In-unit high speed internet service (Rural set-aside only)	3	3	3
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Northview Senior Apartments, located at Southeastern corner of C Street and Eight Street in Williams, requested and is being recommended for a reservation of \$853,717 in annual federal tax credits to finance the new construction of 30 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 1 and Assembly District 4.

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

Project Number CA-23-047

Project Name Northview Senior Apartments
Site Address: Southeastern corner of C Street and Eight Street
Williams, CA 95987
County: Colusa
Census Tract: 3.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$853,717	\$0
Recommended:	\$853,717	\$0

Applicant Information

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

General Partner(s) / Principal Owner(s): Building Better Partnerships, Inc.
TPC Holdings IX, LLC
General Partner Type: Joint Venture
Parent Company(ies): Building Better Partnerships, Inc.
The Pacific Companies
Developer: Pacific West Communities, Inc.
Investor/Consultant: Boston Financial
Management Agent(s): Buckingham Property Management

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 31
No. & % of Tax Credit Units: 30 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME / HUD Section 8 Project-based Vouchers (10 Units - 33.33%)

Information

Set-Aside: Rural apportionment (HOME)
Housing Type: Seniors
Geographic Area: N/A
CTCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	3	10%
At or Below 40% AMI:	3	10%
At or Below 50% AMI (Rural):	15	50%
At or Below 60% AMI:	9	30%

Unit Mix

27 1-Bedroom Units
<u>4 2-Bedroom Units</u>
31 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 1 Bedroom	30%	\$438
2 1 Bedroom	40%	\$585
14 1 Bedroom	50%	\$717
9 1 Bedroom	60%	\$717
1 2 Bedrooms	30%	\$526
1 2 Bedrooms	40%	\$702
1 2 Bedrooms	50%	\$877
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$315,000
Construction Costs	\$8,390,260
Construction Contingency	\$650,000
Architectural/Engineering	\$575,000
Const. Interest, Perm. Financing	\$525,000
Legal Fees	\$50,000
Reserves	\$107,481
Other Costs	\$1,017,402
Developer Fee	\$1,656,094
Total	\$13,286,237

Residential

Construction Cost Per Square Foot:	\$393
Per Unit Cost:	\$428,588
True Cash Per Unit Cost*:	\$428,588

Construction Financing

Source	Amount
California Bank & Trust	\$5,974,872
City of Williams - HOME	\$4,847,812
Deferred Developer Fee	\$1,656,094
Deferred Costs	\$107,481
Tax Credit Equity	\$699,978

Permanent Financing

Source	Amount
California Bank & Trust	\$900,000
City of Williams - HOME	\$5,386,458
Tax Credit Equity	\$6,999,779
TOTAL	\$13,286,237

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$7,296,723
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$9,485,740
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$853,717
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.81992

The "as if vacant" land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Seniors
Self-Score Final:	64.635%
CTCAC Final:	64.635%

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 for Northview Senior Apartments (CA-23-047) is subject to approval by HUD.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Williams, has completed a site review of this project and has no position on this project.

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	3	3	3
Within 1/2 mile of a neighborhood market of at least 5,000 sf	4	4	4
Within 1 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

North Harbor, located at 1251 North Harbor Boulevard in Anaheim, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$1,168,231 in total state tax credits to finance the adaptive reuse of 87 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 Linc Housing Corporation and will be located in Senate District 29 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 Project Homekey program of HCD.

Project Number	CA-23-049		
Project Name	North Harbor		
Site Address:	1251 North Harbor Boulevard		
	Anaheim, CA 92801		
County:	Orange		
Census Tract:	866.01		
Tax Credit Amounts	Federal/Annual	State/Total *	
Requested:	\$2,500,000	\$1,168,231	
Recommended:	\$2,500,000	\$1,168,231	

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

Applicant Information

Applicant:	Linc Housing Corporation
Contact:	Anders Plett
Address:	3590 Elm Avenue
	Long Beach, CA 90807
Phone:	562-684-1112
Email:	aplett@linchousing.org
General Partner(s) / Principal Owner(s):	Linc North Harbor Blvd, LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Linc Housing Corporation
	American Family Housing
Developer:	Linc Housing Corporation
Investor/Consultant:	Raymond James Housing Investments, Inc.
Management Agent(s):	Aperto Property Management

Project Information

Construction Type:	Adaptive Reuse
Total # Residential Buildings:	2
Total # of Units:	89
No. & % of Tax Credit Units:	87 100%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	HUD Section 8 Project-based Vouchers (87 Units - 100%)

Information

Set-Aside: Nonprofit (Homeless assistance)
Housing Type: Special Needs
Type of Special Needs: Homeless
Average Targeted Affordability of Special Needs/SRO Project Units: 30.00%
% of Special Need Units: 66 units 75.86%
Geographic Area: N/A
CTCAC Project Analyst: Jacob Paixao

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	87	80%

Unit Mix

67 SRO/Studio Units
20 1-Bedroom Units
<u>2 2-Bedroom Units</u>
89 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
67 SRO/Studio	30%	\$711
20 1 Bedroom	30%	\$762
2 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$23,670,918
Construction Costs	\$0
Rehabilitation Costs	\$20,563,903
Construction Contingency	\$2,602,731
Relocation	\$0
Architectural/Engineering	\$604,450
Const. Interest, Perm. Financing	\$3,312,052
Legal Fees	\$95,000
Reserves	\$709,156
Other Costs	\$8,093,000
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$61,851,210

Residential

Construction Cost Per Square Foot:	\$524
Per Unit Cost:	\$694,957
True Cash Per Unit Cost*:	\$694,957

Construction Financing

Permanent Financing

Source	Amount	Source	Amount
Wells Fargo	\$21,598,715	Wells Fargo	\$3,917,000
HCD: Homekey	\$26,537,559	HCD: Homekey	\$26,537,559
City of Anaheim: Existing Debt	\$2,877,959	City of Anaheim: Existing Debt	\$2,877,959
City of Anaheim	\$4,900,649	City of Anaheim	\$4,900,649
Deferred Costs	\$1,340,720	Tax Credit Equity	\$23,618,043
Tax Credit Equity	\$4,595,608	TOTAL	\$61,851,210

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,447,808
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,882,150
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$1,168,231
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Raymond James Housing Investments, Inc.
Federal Tax Credit Factor:	\$0.90388
State Tax Credit Factor:	\$0.87408

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Special Needs
Self-Score Final:	104.913%
CTCAC Final:	119.002%

Significant Information / Additional Conditions

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

This project will include the adaptive reuse of an existing 119-unit motel constructed in 1985. The motel will be renovated and reconfigured to include 89 total units. Upon completion, the project will include 87 LIHTC units and two manager’s units.

Staff noted a per unit cost of \$694,957. The applicant noted that the high per unit cost is attributed to higher acquisition and construction costs for adaptive reuse projects as compared to new construction or rehabilitation projects. The project is subject to federal and state requirements for prevailing wages. The project is also required by the Project Homekey program to house 50% of the existing interim homeless households during construction period, increasing construction costs.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

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

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of public park or community center open to general public	3	3	3
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
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	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

The project, 2052 Lake Avenue Apartments, located at 2052 Lake Avenue in Altadena, requested and is being recommended for a reservation of \$2,338,969 in annual federal tax credits to finance the new construction of 57 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 Inc. and will be located in Senate District 25 and Assembly District 41.

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 Multifamily Housing Program (MHP) program of HCD.

Project Number CA-23-054

Project Name 2052 Lake Avenue Apartments
Site Address: 2052 Lake Avenue
Altadena, CA 91356
County: Los Angeles
Census Tract: 4612

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,338,969	\$0
Recommended:	\$2,338,969	\$0

Applicant Information

Applicant: 2052 Lake Altadena, 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) / Principal Owner(s): 2052 Lake Altadena EAH, LLC
EAH Community Housing Inc.
General Partner Type: Nonprofit
Parent Company(ies): EAH Inc.
2052 Lake Altadena EAH, LLC
Developer: EAH Inc.
Investor/Consultant: California Housing Partnership Corporation
Management Agent(s): EAH Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 58
No. & % of Tax Credit Units: 57 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (57 Units - 100%)

Information

Set-Aside: N/A
Housing Type: Special Needs
Type of Special Needs: Homeless
Average Targeted Affordability of Special Needs/SRO Project Units: 30.00%
% of Special Need Units: 57 units 100.00%
Geographic Area: Balance of Los Angeles County
CTCAC Project Analyst: Franklin Cui

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	57	80%

Unit Mix

57 1-Bedroom Units
<u>1 2-Bedroom Units</u>
58 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
57 1 Bedroom	30%	\$670
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$5,293,648
Construction Costs	\$21,023,921
Rehabilitation Costs	\$0
Construction Contingency	\$2,247,292
Relocation	\$136,738
Architectural/Engineering	\$1,366,153
Const. Interest, Perm. Financing	\$3,854,043
Legal Fees	\$100,000
Reserves	\$318,598
Other Costs	\$1,912,377
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$38,452,770

Residential

Construction Cost Per Square Foot:	\$557
Per Unit Cost:	\$662,979
True Cash Per Unit Cost*:	\$662,979

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
US Bank	\$23,728,239	US Bank	\$7,148,100
HCD Disaster Recovery MHP	\$3,094,059	HCD Disaster Recovery MHP	\$3,141,177
Accrued Interest (MHP)	\$123,963	Accrued Interest (MHP)	\$123,963
LACDA - AHTF ¹	\$6,895,000	LACDA - AHTF ¹	\$7,000,000
Accrued Interest (AHTF ¹)	\$180,198	Accrued Interest (AHTF ¹)	\$180,198
Deferred Costs	\$2,147,378	General Partner Equity	\$350,000
General Partner Equity	\$350,000	Tax Credit Equity	\$20,509,332
Tax Credit Equity	\$1,933,933	TOTAL	\$38,452,770

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

¹Affordable Housing Trust Fund

Determination of Credit Amount(s)

Requested Eligible Basis:	\$19,991,184
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$25,988,539
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,338,969
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.87685

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Special Needs
Self-Score Final:	75.268%
CTCAC Final:	75.205%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$662,979. The applicant noted that the per unit costs is attributed to increased construction loan interest rates. The project is currently modeling the construction loan interest rate at 8.25%, whereas just a few years ago the interest rates were as low as 3.60%. Additionally, the property will be installing Solar Photovoltaic as an energy use offset for the development. The total installation cost came in double of what had been originally modeled.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, the County of Los Angeles, has completed a site review of this project and strongly supports this project.

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1 mile of public library	2	2	2
Within 1/2 mile of a neighborhood market of at least 5,000 sf	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
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	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Enhanced Accessibility and Visitability	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Bridge Street Family Apartments, located at 279 Bridge Street in San Luis Obispo, requested and is being recommended for a reservation of \$2,098,870 in annual federal tax credits to finance the new construction of 30 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by San Luis Obispo Nonprofit Housing Corporation and will be located in Senate District 17 and Assembly District 30.

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

Project Number CA-23-055

Project Name Bridge Street Family Apartments
Site Address: 279 Bridge Street
San Luis Obispo, CA 93401
County: San Luis Obispo
Census Tract: 111.03

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,098,870	\$0
Recommended:	\$2,098,870	\$0

Applicant Information

Applicant: San Luis Obispo Nonprofit Housing Corporation
Contact: Ken Litzinger
Address: 487 Leff Street
San Luis Obispo, CA 93401
Phone: (805) 594-5304
Email: klitzinger@haslo.org

General Partner(s) / Principal Owner(s): San Luis Obispo Nonprofit Housing Corporation
General Partner Type: Nonprofit
Parent Company(ies): San Luis Obispo Nonprofit Housing Corporation
Developer: San Luis Obispo Nonprofit Housing Corporation
Investor/Consultant: California Housing Partnership Corporation
Management Agent(s): Housing Authority of San Luis Obispo

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 31
No. & % of Tax Credit Units: 30 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (8 Units - 27%)

Information

Set-Aside: N/A
Housing Type: Large Family
Geographic Area: Central Coast Region
CTCAC Project Analyst: Franklin Cui

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	6	20%
At or Below 50% AMI:	13	40%
At or Below 60% AMI:	11	35%

Unit Mix

14 1-Bedroom Units
8 2-Bedroom Units
9 3-Bedroom Units
<u>31 Total Units</u>

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
2 1 Bedroom	30%	\$615
2 2 Bedrooms	30%	\$738
2 3 Bedrooms	30%	\$853
7 1 Bedroom	50%	\$1,026
3 2 Bedrooms	50%	\$1,231
2 3 Bedrooms	50%	\$1,422
1 3 Bedrooms	50%	\$1,422
5 1 Bedroom	60%	\$1,231
3 2 Bedrooms	60%	\$1,477
3 3 Bedrooms	60%	\$1,707
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,700,000
Construction Costs	\$13,653,889
Rehabilitation Costs	\$0
Construction Contingency	\$965,333
Relocation	\$0
Architectural/Engineering	\$624,766
Const. Interest, Perm. Financing	\$2,750,427
Legal Fees	\$65,000
Reserves	\$117,172
Other Costs	\$1,925,302
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$25,001,889

Residential

Construction Cost Per Square Foot:	\$470
Per Unit Cost:	\$806,513
True Cash Per Unit Cost*:	\$806,513

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Pacific Western Bank	\$18,420,389	Pacific Western Bank	\$3,065,000
HASLO ¹	\$1,100,000	HASLO ¹	\$1,100,000
City of San Luis Obispo	\$1,200,000	City of San Luis Obispo	\$1,200,000
City Impact Fee Deferrals	\$1,188,809	City Impact Fee Deferrals	\$1,188,809
Deferred Costs	\$1,454,882	Tax Credit Equity	\$18,448,080
Tax Credit Equity	\$1,637,808	TOTAL	\$25,001,889

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

¹Housing Authority of San Luis Obispo

Determination of Credit Amount(s)

Requested Eligible Basis:	\$17,939,064
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$23,320,783
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,098,870
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.87895

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	43.544%
CTCAC Final:	43.544%

Significant Information / Additional Conditions:

Staff noted a per unit development cost of \$806,513. The applicant noted that the high per unit cost is attributed to site preparation to support the concrete podium upon which the apartments will be built. Additionally, The project requires a highly complete water mitigation, and a sewer lift station with non-electric back up power in the event of an outage, due wildfires or other circumstances. These site conditions are the reason for the high cost of the project.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, the City of San Luis Obispo, has completed a site review of this project and strongly supports this project.

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Highest or High Resource Area	8	8	8
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
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Orcutt Road Apartments (aka Maxine Lewis), located at 736 Orcutt Road in San Luis Obispo, requested and is being recommended for a reservation of \$1,172,101 in annual federal tax credits to finance the new construction of 39 units of housing serving special needs tenants with rents affordable to households earning 30%-40% of area median income (AMI). The project will be developed by San Luis Obispo Nonprofit Housing Corporation and will be located in Senate District 17 and Assembly District 30.

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

Project Number CA-23-056

Project Name Orcutt Road Apartments (aka Maxine Lewis)

Site Address: 736 Orcutt Road
San Luis Obispo, CA 93401
County: San Luis Obispo
Census Tract: 111.04

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,172,101	\$0
Recommended:	\$1,172,101	\$0

Applicant Information

Applicant: San Luis Obispo Nonprofit Housing Corporation
Contact: Ken Litzinger
Address: 487 Leff Street
San Luis Obispo, CA 93401
Phone: (805) 594-5304
Email: klitzinger@haslo.org

General Partner(s) / Principal Owner(s): San Luis Obispo Nonprofit Housing Corporation
General Partner Type: Nonprofit
Parent Company(ies): San Luis Obispo Nonprofit Housing Corporation
Developer: San Luis Obispo Nonprofit Housing Corporation
Investor/Consultant: California Housing Partnership
Management Agent(s): Housing Authority of San Luis Obispo

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 40
No. & % of Tax Credit Units: 39 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (39 Units - 100%)

Information

Set-Aside: Special Needs
Housing Type: Special Needs
Type of Special Needs: Homeless / Formerly Homeless
Average Targeted Affordability of Special Needs/SRO Project Units: 34.00%
% of Special Need Units: 30 units 76.92%
Geographic Area: N/A
CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	20	51%
At or Below 40% AMI:	19	49%

Unit Mix

36 SRO/Studio Units
3 1-Bedroom Units
1 2-Bedroom Units
<u>40 Total Units</u>

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
18 SRO/Studio	30%	\$574
2 1 Bedroom	30%	\$615
18 SRO/Studio	40%	\$766
1 1 Bedroom	40%	\$821
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,438,000
Construction Costs	\$10,062,485
Rehabilitation Costs	\$0
Construction Contingency	\$716,873
Relocation	\$0
Architectural/Engineering	\$476,924
Const. Interest, Perm. Financing	\$1,498,213
Legal Fees	\$0
Reserves	\$172,218
Other Costs	\$1,306,848
Developer Fee	\$2,035,179
Commercial Costs	\$0
Total	\$19,706,740

Residential

Construction Cost Per Square Foot:	\$495
Per Unit Cost:	\$492,669
True Cash Per Unit Cost*:	\$469,757

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Pacific Western Bank	\$10,291,863	Pacific Western Bank	\$2,319,000
County of San Luis Obispo	\$420,541	County of San Luis Obispo	\$420,541
City of San Luis Obispo - AHF	\$2,000,000	City of San Luis Obispo - AHF	\$2,000,000
HASLO Public Funds Loan 1	\$2,333,535	HASLO Public Funds Loan 1	\$2,333,535
HASLO Public Funds Loan 2	\$516,545	HASLO Public Funds Loan 2	\$516,545
Housing Trust Fund	\$1,000,000	Housing Trust Fund	\$1,000,000
Fee Deferral Loan	\$916,465	Fee Deferral Loan	\$916,465
Deferred Costs	\$1,414,726	Tax Credit Equity	\$10,200,654
Tax Credit Equity	\$813,065	TOTAL	\$19,706,740

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$10,017,955
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$13,023,342
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,172,101
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	\$0.87029

The "as if vacant" land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Special Needs
Self-Score Final:	83.999%
CTCAC Final:	81.865%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

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

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Special Needs project within 1 mile of facility serving tenant population	2	2	2
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
SPECIAL NEEDS HOUSING TYPE			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Loma Verde, located at 405 North Westlake Avenue in Los Angeles, requested and is being recommended for a reservation of \$1,296,297 in annual federal tax credits to finance the new construction of 18 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 Clifford Beers Housing (a/k/a Holos Communities) and will be located in Senate District 26 and Assembly District 54.

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

Project Number CA-23-057

Project Name Loma Verde
Site Address: 405 North Westlake Avenue
Los Angeles, CA 90026
County: Los Angeles
Census Tract: 2084.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,296,297	\$0
Recommended:	\$1,296,297	\$0

Applicant Information

Applicant: Loma Verde, L.P.
Contact: Audrey Peterson
Address: 11739 Victory Boulevard
North Hollywood, CA 91606
Phone: 213.316.0108
Email: apeterson@holoscommunities.org

General Partner(s) / Principal Owner(s): 405 Loma Verde LLC
General Partner Type: Nonprofit
Parent Company(ies): Clifford Beers Housing (a/k/a Holos Communities)
Developer: Clifford Beers Housing (a/k/a Holos Communities)
Investor/Consultant: Enterprise Community Partners
Management Agent(s): Levine Management Group

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 19
No. & % of Tax Credit Units: 18 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (18 units - 100%)

Information

Set-Aside: N/A
Housing Type: Special Needs
Type of Special Needs: Homeless Individuals
Average Targeted Affordability of Special Needs/SRO Project Units: 30.00%
% of Special Need Units: 18 units 100.00%
Geographic Area: City of Los Angeles
CTCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	18	80%

Unit Mix

<u>19 SRO/Studio Units</u>
19 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
18 SRO/Studio	30%	\$625
1 SRO/Studio	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,284,561
Construction Costs	\$7,873,093
Rehabilitation Costs	\$0
Construction Contingency	\$917,192
Relocation	\$0
Architectural/Engineering	\$431,500
Const. Interest, Perm. Financing	\$1,160,068
Legal Fees	\$147,500
Reserves	\$379,022
Other Costs	\$966,352
Developer Fee	\$1,645,690
Commercial Costs	\$0
Total	\$14,804,978

Residential

Construction Cost Per Square Foot:	\$836
Per Unit Cost:	\$779,209
True Cash Per Unit Cost*:	\$779,209

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Genesis LA - Loan	\$4,711,345	Genesis LA - Loan	\$942,500
SF FHLB - AHP Loan	\$342,000	City of Los Angeles - HHH Loan	\$2,660,000
City of Los Angeles - HHH Loan	\$2,660,000	SF FHLB - AHP Loan	\$342,000
Deferred Costs	\$542,270	General Partner Equity	\$100
Deferred Developer Fee	\$987,414	Tax Credit Equity	\$10,860,378
General Partner Equity	\$100	TOTAL	\$14,804,978
Tax Credit Equity	\$5,561,849		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$11,079,787
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$14,403,723
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,296,297
Approved Developer Fee (Cost & Basis):	\$1,645,690
Investor/Consultant:	Enterprise Community Partners
Federal Tax Credit Factor:	\$0.83780

The "as if vacant" land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

Initial:	Letter of Support
First:	Special Needs
Self-Score Final:	50.347%
CTCAC Final:	50.347%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$779,209. The applicant indicated that the factors affecting this cost include the continued cost escalation of material, labor, and capital; costs related to new city requirements related to accessibility features; and the project's relatively small number of units across which costs can be spread.

Resyndication and Resyndication Transfer Event: None

Local Reviewing Agency

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

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/2 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
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. 42 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

LAAC Apartments, located at six sites (see below) in Los Angeles, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$3,008,597 in total state tax credits to finance the acquisition and rehabilitation of 73 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Dawson Holdings, Inc. and is located in Senate District 28 and Assembly District 57.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-23-063

Project Name LAAC Apartments

Site Address:	Site 1 4517-4517 South Normandie Avenue Los Angeles, CA 90337 County: Los Angeles Census Tract: 2322.00	Site 2 245 West 64th Street Los Angeles, CA 90003 County: Los Angeles Census Tract: 2397.01
	Site 3 679 and 689 East 41st Street Los Angeles, CA 90011 County: Los Angeles Census Tract: 2283.10	Site 4 900 East 28th Street Los Angeles, CA 90011 County: Los Angeles Census Tract: 2393.20
	Site 5 6320-6324 South Broadway Los Angeles, CA 90003 County: Los Angeles Census Tract: 2393.10	Site 6 235 West 47th Street Los Angeles, CA 90037 County: Los Angeles Census Tract: 2319.02

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$3,008,597
Recommended:	\$2,500,000	\$3,008,597

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

Applicant Information

Applicant: LAAC, LP
Contact: Justin Solomon
Address: 7250 Redwood Boulevard, Suite 214
Novato, CA 94945
Phone: (415) 609-5352
Email: jsolomon@d-h-i.net

General Partner(s) / Principal Owner(s): Kingdom Development, Inc.
LAAC Associates, LLC
General Partner Type: Joint Venture
Parent Company(ies): Kingdom Development, Inc.
Dawson Holdings, Inc.
Developer: Dawson Holdings, Inc.
Investor/Consultant: R4 Capital LLC
Management Agent(s): AWI Management Corporation

Project Information

Construction Type: Acquisition and Rehabilitation
Total # Residential Buildings: 12
Total # of Units: 73
No. & % of Tax Credit Units: 73 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Contract (73 Units - 100%)

Information

Set-Aside: N/A
Housing Type: At-Risk
Geographic Area: City of Los Angeles
CTCAC Project Analyst: Nick White

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	11	15%
At or Below 45% AMI:	17	20%
At or Below 50% AMI:	19	25%
At or Below 60% AMI:	26	35%

Unit Mix

2 SRO/Studio Units
16 1-Bedroom Units
53 2-Bedroom Units
2 3-Bedroom Units
73 Total Units

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 SRO/Studio	30%	\$625
1 SRO/Studio	45%	\$937
2 1 Bedroom	30%	\$669
4 1 Bedroom	45%	\$1,004
5 1 Bedroom	50%	\$1,116
5 1 Bedroom	60%	\$1,339
7 2 Bedrooms	30%	\$804
1 2 Bedrooms	45%	\$1,206
6 2 Bedrooms	45%	\$1,206
4 2 Bedrooms	45%	\$1,206
8 2 Bedrooms	50%	\$1,340
6 2 Bedrooms	50%	\$1,340
3 2 Bedrooms	60%	\$1,608
18 2 Bedrooms	60%	\$1,608
1 3 Bedrooms	30%	\$928
1 3 Bedrooms	45%	\$1,393
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$24,490,000
Construction Costs	\$0
Rehabilitation Costs	\$12,732,660
Construction Contingency	\$1,373,300
Relocation	\$730,000
Architectural/Engineering	\$325,000
Const. Interest, Perm. Financing	\$1,522,245
Legal Fees	\$230,000
Reserves	\$397,605
Other Costs	\$736,930
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$44,737,740

Residential

Construction Cost Per Square Foot:	\$301
Per Unit Cost:	\$612,846
True Cash Per Unit Cost*:	\$597,777

Construction Financing

<u>Source</u>	<u>Amount</u>
East West Bank	\$23,100,000
DHI Guarantor, LLC ¹	\$7,070,701
Net Operating Income	\$861,887
Deferred Cost	\$861,702
State Tax Credit Equity	\$1,207,200
Federal Tax Credit Equity	\$11,636,250

Permanent Financing

<u>Source</u>	<u>Amount</u>
East West Bank	\$10,975,000
DHI Guarantor, LLC ¹	\$7,794,405
Net Operating Income	\$861,887
Deferred Developer Fee	\$1,100,000
Tax Credit Equity	\$24,006,448
TOTAL	\$44,737,740

¹Dawson Holdings Inc Guarantor

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$17,755,282
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$23,143,050
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$17,755,282
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$23,143,050
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,597,975
Maximum Annual Federal Credit, Acquisition:	\$925,722
Total Maximum Annual Federal Credit:	\$2,523,697
Total State Credit:	\$2,733,712
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	R4 Capital LLC
Federal Tax Credit Factor:	\$0.87000
State Tax Credit Factor:	\$0.75000

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	At-Risk
Self-Score Final:	16.483%
CTCAC Final:	16.483%

Significant Information / Additional Conditions:

This project involves the substantial rehabilitation of 12 buildings across six scattered sites. This acquisition/rehabilitation project has a pre-existing Section 8 Project-based Contract in effect for all sites.

At placed-in-service, any units not occupied by income-qualified tenants will be not considered tax credit units and the applicable fraction will be adjusted accordingly. However, these units will be rent-restricted at 60% of area median income (AMI) in the recorded CTCAC regulatory agreement in order to meet the scattered-site requirement of Section 42(g)(7) of the Internal Revenue Code. The recorded CTCAC regulatory agreement will also require that upon turnover the unit(s) must be occupied by income-qualified tenants

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

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

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 3/4 mile of public park or community center open to general public	2	2	2
Within 1 mile of public library	2	2	2
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 mile of a public high school	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	0	0
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	99	99

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Manchester Apartments, located at 823 West Manchester Avenue in Los Angeles, requested and is being recommended for a reservation of \$2,274,501 in annual federal tax credits to finance the new construction of 41 units of housing serving seniors with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by Domus Development, LLC and will be located in Senate District 28 and Assembly District 57.

Project Number CA-23-064

Project Name Manchester Apartments
Site Address: 823 West Manchester Avenue
Los Angeles, CA 90044
County: Los Angeles
Census Tract: 2383.2

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,274,501	\$0
Recommended:	\$2,274,501	\$0

Applicant Information

Applicant: Manchester Land Associates, L.P.
Contact: Michael Limb
Address: 9 Cushing, Suite 200
Irvine, CA 92618
Phone: 949-923-7800
Email: mlimb@newportpartners.com

General Partner(s) / Principal Owner(s): Newport Development, LLC
Spectrum GP LLC
General Partner Type: Joint Venture
Parent Company(ies): Newport Partners, LLC
Spectrum Affordable Housing Corporation
Developer: Domus Development, LLC
Investor/Consultant: Alliant Capital
Management Agent(s): Domus Management Company

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 42
No. & % of Tax Credit Units: 41 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME

Information

Set-Aside: N/A
Housing Type: Seniors
Geographic Area: City of Los Angeles
CTCAC Project Analyst: Chris Saenz

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	10	20%
At or Below 40% AMI:	21	50%
At or Below 50% AMI:	10	20%

Unit Mix

21 SRO/Studio Units
20 1-Bedroom Units
1 2-Bedroom Units
<u>42 Total Units</u>

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 SRO/Studio	30%	\$625
11 SRO/Studio	40%	\$833
5 SRO/Studio	50%	\$1,042
5 1 Bedroom	30%	\$668
10 1 Bedroom	40%	\$893
5 1 Bedroom	50%	\$1,116
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$925,230
Construction Costs	\$16,417,436
Rehabilitation Costs	\$0
Construction Contingency	\$901,233
Relocation	\$0
Architectural/Engineering	\$1,000,000
Const. Interest, Perm. Financing	\$1,306,727
Legal Fees	\$180,000
Reserves	\$126,894
Other Costs	\$1,423,080
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$24,480,600

Residential

Construction Cost Per Square Foot:	\$521
Per Unit Cost:	\$582,871
True Cash Per Unit Cost*:	\$577,202

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citibank	\$13,350,498	Citibank	\$1,162,601
LAHD ¹ : HOME	\$3,578,110	LAHD ¹ : HOME	\$3,975,678
Deferred Costs	\$430,551	General Partner Equity	\$100
General Partner Equity	\$100	Deferred Developer Fee	\$238,123
Deferred Developer Fee	\$1,453,496	Tax Credit Equity	\$19,104,098
Tax Credit Equity	\$5,667,845	TOTAL	\$24,480,600

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

¹Los Angeles Housing Department

Determination of Credit Amount(s)

Requested Eligible Basis:	\$19,440,383
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$25,272,497
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,274,501
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Alliant Capital
Federal Tax Credit Factor:	\$0.83993

The “as if vacant” land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

Initial:	Letter of Support
First:	Seniors
Self-Score Final:	26.001%
CTCAC Final:	26.001%

Significant Information / Additional Conditions

Staff noted the project's pro forma shows cash flow after debt service not meeting CTCAC minimum debt service coverage ratio established by CTCAC Regulations. Pursuant to CTCAC Regulations 10327(g), the shortage of cash flow is within the \$25,000 limit allowed by Committee. The applicant must correct the cash flow shortage in the next updated CTCAC application required by CTCAC, and all subsequent submissions to CTCAC, including the placed-in-service submission for the issuance of the IRS 8609 forms.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

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

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1/2 mile of a neighborhood market of at least 5,000 sf	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within 1/2 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Rose Town Apartments, located at 170 North Halstead Street in Pasadena, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$8,931,998 in total state tax credits to finance the new construction of 47 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by CRP Affordable Housing and Community Development LLC and will be located in Senate District 25 and Assembly District 41.

Project Number CA-23-070

Project Name Rose Town Apartments
Site Address: 170 North Halstead Street
Pasadena, CA 91107
County: Los Angeles
Census Tract: 4630.03

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$8,931,998
Recommended:	\$2,500,000	\$8,931,998

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

Applicant Information

Applicant: Central Valley Coalition for Affordable Housing
Contact: Christina Alley
Address: 3351 M Street #100
Merced, CA 95348
Phone: (209)388-0782
Email: chris@centralvalleycoalition.com

General Partner(s) / Principal Owner(s): Central Valley Coalition for Affordable Housing
Rose Town Apartments AGP LLC
General Partner Type: Joint Venture
Parent Company(ies): Central Valley Coalition for Affordable Housing
Central Valley Coalition for Affordable Housing
Developer: CRP Affordable Housing and Community
Development LLC
Investor/Consultant: CREA LLC
Management Agent(s): Hyder & Company

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 48
No. & % of Tax Credit Units: 47 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: None.

Information

Set-Aside: N/A
Housing Type: Large Family
Geographic Area: Balance of Los Angeles County
CTCAC Project Analyst: Nick White

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	10	20%
At or Below 40% AMI:	10	20%
At or Below 60% AMI:	27	55%

Unit Mix

10 SRO/Studio Units
10 1-Bedroom Units
15 2-Bedroom Units
13 3-Bedroom Units
<u>48 Total Units</u>

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 SRO/Studio	60%	\$1,251
2 SRO/Studio	40%	\$834
2 SRO/Studio	30%	\$625
6 1 Bedroom	60%	\$1,340
2 1 Bedroom	40%	\$893
2 1 Bedroom	30%	\$670
9 2 Bedrooms	60%	\$1,608
3 2 Bedrooms	40%	\$1,072
3 2 Bedrooms	30%	\$804
6 3 Bedrooms	60%	\$1,858
3 3 Bedrooms	40%	\$1,239
3 3 Bedrooms	30%	\$929
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,250,000
Construction Costs	\$21,159,225
Rehabilitation Costs	\$0
Construction Contingency	\$1,339,272
Relocation	\$0
Architectural/Engineering	\$1,200,000
Const. Interest, Perm. Financing	\$2,132,715
Legal Fees	\$225,000
Reserves	\$200,118
Other Costs	\$3,208,318
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$34,914,648

Residential

Construction Cost Per Square Foot:	\$444
Per Unit Cost:	\$727,389
True Cash Per Unit Cost*:	\$711,617

Construction Financing

Source	Amount
Citi Bank	\$17,120,518
Deferred Costs	\$1,925,118
Waived Impact Fees	\$757,048
Federal Tax Credit Equity	\$11,248,875
State Tax Credit Equity	\$3,863,089

Permanent Financing

Source	Amount
Citi Bank Tranche A	\$3,933,672
Waived Impact Fees	\$757,048
Tax Credit Equity	\$30,223,928
TOTAL	\$34,914,648

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$29,773,325
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$29,773,325
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$8,931,998
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	CREA LLC
Federal Tax Credit Factor:	\$0.89991
State Tax Credit Factor:	\$0.86500

The "as if vacant" land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	29.531%
CTCAC Final:	29.368%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$711,617. The applicant noted that the high per unit cost is attributed to sincreased labor cost, increased interest rates, and the fact that the project is being built as a high-rise.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Pasadena, has completed a site review of this project and strongly supports this project.

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 3/4 mile of public park or community center open to general public	2	2	2
Within 1 mile of public library	2	2	2
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of a public high school	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Highest or High Resource Area	8	8	8
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Mitchell Park Place, located at 525 E Charleston Road in Palo Alto, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$4,847,061 in total state tax credits to finance the new construction of 49 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 Eden Housing, Inc. and will be located in Senate District 13 and Assembly District 23.

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

Project Number CA-23-071

Project Name Mitchell Park Place
Site Address: 525 E Charleston Road
Palo Alto, CA 94306
County: Santa Clara
Census Tract: 5108.03

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$4,847,061
Recommended:	\$2,500,000	\$4,847,061

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

Applicant Information

Applicant: Eden Housing, Inc.
Contact: Andrea Osgood
Address: 22645 Grand Street
Hayward, CA 94541
Phone: 510-247-8103
Email: aosgood@edenhousing.org

General Partner(s) / Principal Owner(s): Eden Mitchell Park LLC
General Partner Type: Nonprofit
Parent Company(ies): Eden Housing, Inc.
Developer: Eden Housing, Inc.
Investor/Consultant: Community Economics, Inc.
Management Agent(s): Eden Housing Management, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 50
No. & % of Tax Credit Units: 49 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Community Development Block Grant (CDBG) / HUD Section 8 Project-based Vouchers (25 Units - 50%)

Information

Set-Aside: N/A
 Housing Type: Special Needs At least 20% 1-bedroom units and 10% larger than 1-bedroom units
 Type of Special Needs: Persons with physical, mental or developmental disabilities
 Average Targeted Affordability of Special Needs/SRO Project Units: 33.60%
 % of Special Need Units: 25 units 51.02%
 Geographic Area: South and West Bay Region
 CTCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	16	30%
At or Below 40% AMI:	9	15%
At or Below 50% AMI:	16	30%
At or Below 60% AMI:	8	15%

Unit Mix

37 SRO/Studio Units
8 1-Bedroom Units
5 2-Bedroom Units
<u>50 Total Units</u>

<u>Unit Type & Number</u>	<u>2022 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
14 SRO/Studio	30%	\$885
7 SRO/Studio	40%	\$1,180
16 SRO/Studio	50%	\$1,475
1 1 Bedroom	30%	\$948
2 1 Bedroom	40%	\$1,264
5 1 Bedroom	60%	\$1,580
1 2 Bedrooms	30%	\$1,137
3 2 Bedrooms	60%	\$1,896
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$6,562,592
Construction Costs	\$32,176,351
Rehabilitation Costs	\$0
Construction Contingency	\$1,945,407
Relocation	\$0
Architectural/Engineering	\$2,269,040
Const. Interest, Perm. Financing	\$6,161,917
Legal Fees	\$187,673
Reserves	\$261,050
Other Costs	\$5,160,163
Developer Fee	\$2,200,000
Commercial Costs	\$2,907,622
Total	\$59,831,816

Residential

Construction Cost Per Square Foot:	\$867
Per Unit Cost:	\$1,138,484
True Cash Per Unit Cost*:	\$951,501

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
First Republic Bank	\$29,897,834	First Republic Bank	\$6,514,000
County of Santa Clara - Loan	\$12,000,000	County of Santa Clara - Loan	\$12,000,000
City of Palo Alto - Loan	\$3,000,000	City of Palo Alto - Loan	\$3,000,000
CDBG	\$356,330	CDBG	\$356,330
Value of Donated Land	\$6,000,000	Value of Donated Land	\$6,000,000
GP Equity	\$100	GP Equity	\$100
Tax Credit Equity	\$2,787,765	Accrued Interest	\$481,037
Accrued Interest	\$481,037	Fee Waivers	\$3,826,701
Fee Waivers	\$3,826,701	Tax Credit Equity	\$27,653,649
		TOTAL	\$59,831,816

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$37,087,716
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$48,214,030
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$4,847,061
Approved Developer Fee (Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	\$0.95104
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.

Tie-Breaker Information

First:	Special Needs
Self-Score Final:	66.906%
CTCAC Final:	66.892%

Significant Information / Additional Conditions

Staff noted a per unit project cost of \$951,501. The applicant noted this cost is attributed to the continued escalation of material and labor costs, the rising cost of construction period insurance, rising interest rates, increased upfront costs for sustainability features, smaller unit sizes, and costs related to the project's infill location.

Resyndication and Resyndication Transfer Event: None

Local Reviewing Agency

The Local Reviewing Agency, City of Palo Alto, has completed a site review of this project and strongly supports this project.

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1/4 mile of a neighborhood market of at least 5,000 sf	4	4	4
Special Needs project within 1/2 mile of facility serving tenant population	3	3	3
Within 1 mile of a pharmacy	1	1	1
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
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
SPECIAL NEEDS HOUSING TYPE			
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

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

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

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 First Round

July 26, 2023

Cherry Crossing I, located at Cherry Avenue and Sanger Avenue in Sanger, requested and is being recommended for a reservation of \$2,346,212 in annual federal tax credits to finance the new construction of 71 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Self-Help Enterprises and will be located in Senate District 14 and Assembly District 31.

The project financing includes state funding from the Multifamily Housing Program (MHP) & Joe Serna, Jr. Farmworker Housing Grant (FWHG) programs of HCD.

Project Number CA-23-076

Project Name Cherry Crossing I
Site Address: Cherry Avenue and Sanger Avenue
Sanger, CA 93657
County: Fresno
Census Tract: 61.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,346,212	\$0
Recommended:	\$2,346,212	\$0

Applicant Information

Applicant: Self-Help Enterprises
Contact: Betsy McGovern-Garcia
Address: 8445 West Elowin Court
Visalia, CA 93291
Phone: 559-802-1653
Email: BetsyG@selfhelpenterprises.org

General Partner(s) / Principal Owner(s): Cherry Crossing LLC
General Partner Type: Nonprofit
Parent Company(ies): Self-Help Enterprises
Developer: Self-Help Enterprises
Investor/Consultant: Community Economics
Management Agent(s): AWI Management Corporation

Project Information

Construction Type: New Construction
Total # Residential Buildings: 5
Total # of Units: 72
No. & % of Tax Credit Units: 71 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME

Information

Set-Aside: Rural apportionment (HOME)
Housing Type: Large Family
Geographic Area: N/A
CTCAC Project Analyst: Brett Andersen

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AMI:	15	21%
At or Below 45% AMI:	15	21%
At or Below 50% AMI (Rural):	24	34%
At or Below 60% AMI:	17	24%

Unit Mix

24 1-Bedroom Units
24 2-Bedroom Units
24 3-Bedroom Units
72 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
5 1 Bedroom	30%	\$438
5 1 Bedroom	45%	\$658
8 1 Bedroom	50%	\$731
6 1 Bedroom	60%	\$877
5 2 Bedrooms	30%	\$526
5 2 Bedrooms	45%	\$789
8 2 Bedrooms	50%	\$877
5 2 Bedrooms	60%	\$1,053
5 3 Bedrooms	30%	\$607
5 3 Bedrooms	45%	\$911
8 3 Bedrooms	50%	\$1,013
6 3 Bedrooms	60%	\$1,215
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$802,817
Construction Costs	\$23,270,000
Rehabilitation Costs	\$0
Construction Contingency	\$2,370,112
Relocation	\$0
Architectural/Engineering	\$850,000
Const. Interest, Perm. Financing	\$3,114,814
Legal Fees	\$100,000
Reserves	\$291,184
Other Costs	\$1,887,278
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$34,886,204

Residential

Construction Cost Per Square Foot:	\$330
Per Unit Cost:	\$484,531
True Cash Per Unit Cost*:	\$484,531

Construction Financing

Source	Amount
US Bank	\$26,565,708
HCD Joe Serna Jr.	\$3,165,160
County of Fresno HOME	\$1,000,000
General Partner Equity	\$100
Tax Credit Equity	\$2,135,053

Permanent Financing

Source	Amount
HCD - MHP	\$9,522,413
HCD Joe Serna Jr.	\$3,165,160
County of Fresno HOME	\$1,000,000
General Partner Equity	\$100
Tax Credit Equity	\$21,198,531
TOTAL	\$34,886,204

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$26,069,025
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$26,069,025
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,346,212
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Community Economics
Federal Tax Credit Factor:	\$0.90352

The "as if vacant" land value and the existing improvement value established at application, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	61.188%
CTCAC Final:	61.188%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Sanger, has completed a site review of this project and strongly supports this project.

Standard Conditions

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

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a performance deposit and allocation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

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

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

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received 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.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	3	3	3
Within 2 miles of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within ¼ mile of a public elementary school	3	3	3
Within 1 mile of medical clinic or hospital	3	3	3
Within 2 miles of a pharmacy	1	1	1
Highest or High Resource Area	8	8	8
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

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

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



California Tax Credit Allocation Committee

AGENDA ITEM 6

**Resolution No. 23/24-01, Approval of
Regular Rulemaking Regarding State
Historic Rehabilitation Tax Credits
(Cal. Code Regs., tit. 4, div. 17, ch. 3, §§
11010-11013)**

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
RESOLUTION NO. 23/24-01
July 26, 2023**

**APPROVAL OF REGULAR RULEMAKING REGARDING STATE HISTORIC REHABILITATION TAX
CREDITS (CAL. CODE REGS., TIT. 4, DIV. 17, CH. 3, §§ 11010-11013)**

WHEREAS, the California Tax Credit Allocation Committee (“CTCAC”) is responsible for administering the Federal and State Low Income Housing Tax Credit (“LIHTC”) programs in California (Health & Saf. Code, § 50199.4 et seq.); and

WHEREAS, CTCAC is authorized to adopt, amend, and repeal regulations for the allocation of LIHTCs (Health and Saf. Code, § 50199.17); and

WHEREAS, Senate Bill No. 451 (Chapter 703, Statutes of 2019) added Revenue and Taxation Code (“RTC”) sections 17053.91 and 23691 to allow a taxpayer that receives a tax credit allocation to claim a credit against those taxes for each taxable year beginning on or after January 1, 2021, and before January 1, 2026, for the rehabilitation of certified historic structures.

WHEREAS, these State Historic Rehabilitation Tax Credits are allocated on a first-come, first-served basis by CTCAC in conjunction with and following project eligibility approval from the Office of Historic Preservation (“OHP”); and

WHEREAS, the State Historic Rehabilitation Tax Credit Application is a two-part joint application used to apply for certifications required for the State Historic Rehabilitation Tax Credits. OHP certifies that a building is a “certified historic structure,” as defined in RTC sections 17053.91(b) and 23691(b), and that a rehabilitation meets the Secretary of the Interior’s Standards for Rehabilitation and is consistent with the historic character of the building and, where applicable, with the district in which it is located. Once OHP provides a certification for the aforementioned standards, the applicant may apply for State Historic Rehabilitation Tax Credits with CTCAC; and

WHEREAS, CTCAC is authorized to adopt, amend, and repeal regulations for the allocation of State Historic Rehabilitation Tax Credits in conjunction with OHP to qualifying Applicants pursuant to RTC section 17053.91 and 23691.

NOW, THEREFORE, BE IT RESOLVED by the California Tax Credit Allocation Committee all of the following:

SECTION 1. The proposed regulations related to the allocation of State Historic Rehabilitation Tax Credits (Cal. Code Regs., tit. 4, div. 17, ch. 3, §§ 11010-11013) are hereby adopted in substantially the form presented on this date.

SECTION 2. The Executive Director, or the Deputy Executive Director in the Executive Director’s absence, is authorized to proceed with the public notice and comment procedures required by the Administrative Procedure Act (Gov. Code, § 11340 et seq.) prior to submitting a regular rulemaking to the Office of Administrative Law and completing the rulemaking process.

SECTION 3. The Executive Director, or the Deputy Executive Director in the Executive Director’s absence, is authorized to execute and deliver any documents and take any steps, including making any changes to the regulations text or file to secure approval by the Office of Administrative Law, the Executive Director, or the Deputy Executive Director in the Executive Director’s absence, may deem necessary or advisable to effectuate the purposes of this Resolution.

SECTION 4: This Resolution shall take effect immediately upon its adoption.

Attest: _____
Chair

Date of Adoption: July 26, 2023

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE INITIAL STATEMENT OF REASONS

INTRODUCTION

The Legislature adopted Senate Bill No. 451 (Chapter 703, Statutes of 2019), as amended by Assembly Bill No. 150 (Chapter 82, Statutes of 2021), because it found that California's historic buildings are an important asset to communities throughout the state, and the preservation and restoration of these buildings is vital to economic development, enhancing civic pride, increasing tourism, and maintaining vibrant and inclusive neighborhoods.

The purpose of these proposed regulations is to define the requirements and process for applying for State Historic Rehabilitation Tax Credits for the rehabilitation of a certified historic structure or a qualified historic residence. The program is to be administered by the California Tax Credit Allocation Committee (CTCAC) and the Office of Historic Preservation (OHP). The program shall remain in effect only until December 1, 2027, and as of that date is repealed.

SPECIFIC PURPOSE AND NECESSITY

Specific purpose of the regulation and justification for the necessity of the regulation.

Section 11010. Purpose and Scope.

Specific Purpose and Necessity:

This subdivision identifies the purpose and scope for CTCAC and OHP to develop and administer the State Historic Rehabilitation Tax Credit program. A citation of authority is required as part of rulemaking.

Section 11011. Definitions.

Specific Purpose and Necessity:

This subdivision defines the terms used in the regulations for the State Historic Rehabilitation Tax Credit program. These terms are used uniformly in all California and federal rehabilitation tax credits and certifications for listing and have specific legal standing.

Section 11012. Joint Application and Compliance Process.

Specific Purpose and Necessity:

This subdivision identifies the application process including the allocation of credit. Qualifications for application are specified in the legislation. The legislation requires CTCAC to establish a process for the allocation of the credits jointly with OHP. This

subdivision also identifies proposed fees charged for providing services required to administer the State Historic Tax Credit program as well as compliance requirements for allocated credits. Since the legislation does not allocate any funding to administer this program and instead allows for the charging of reasonable fees to recover costs incurred in fulfilling the CTCAC's responsibilities described in the legislation. The subdivision also identifies the appeal process in response to staff's determination as a defined appeal process provides a means to arbitrate disputes that may be expected to occasionally occur.

Section 11013. Repeal Provision.

Specific Purpose and Necessity:

This subdivision identifies a repeal date and makes it coterminous with the enabling legislation.

Chapter 3 State Historic Rehabilitation Tax Credits

Section 11010. Purpose and Scope.

Senate Bill No. 451 (Chapter 703, Statutes of 2019) added Revenue and Taxation Code (RTC) sections 17053.91 and 23691 to allow a taxpayer that receives a tax credit allocation to claim a credit against those taxes for each taxable year beginning on or after January 1, 2021, and before January 1, 2026, for the rehabilitation of certified historic structures. These State Historic Rehabilitation Tax Credits are allocated on a first-come, first-served basis by the California Tax Credit Allocation Committee (CTCAC) in conjunction with and following project eligibility approval from the Office of Historic Preservation (OHP).

The State Historic Rehabilitation Tax Credit Application is a two-part joint application used to apply for certifications required for the State Historic Rehabilitation Tax Credits. OHP certifies that a building is a “certified historic structure,” as defined in RTC sections 17053.91(b) and 23691(b), and that a rehabilitation meets the Secretary of the Interior’s Standards for Rehabilitation and is consistent with the historic character of the building and, where applicable, with the district in which it is located. Once OHP provides a certification for the aforementioned standards, the applicant may apply for State Historic Rehabilitation Tax Credits with CTCAC. The following sections detail the regulatory requirements of State Historic Rehabilitation Tax Credit projects.

These regulations establish procedures for awarding state tax credits to qualifying Applicants pursuant to RTC sections 17053.91 and 23691, which authorize CTCAC to award those state tax credits.

Section 11011. Definitions.

Certified Historic Structure. For credits issued under RTC section 17053.91, has the same meaning as in RTC section 17053.91. For credits issued under RTC section 23691, has the same meaning as in RTC section 23691.

Committee. The CTCAC governing board or a successor governing body that approves the project awards.

CTCAC. The California Tax Credit Allocation Committee.

Eligible Project. A project deemed eligible by the Office of Historic Preservation to apply to CTCAC for credits issued under RTC sections 17053.91 and 23691.

FTB. Franchise Tax Board.

OHP. Office of Historic Preservation.

Qualified Residence. For credits issued under RTC section 17053.91, has the same meaning as in RTC section 17053.91. For credits issued under RTC section 23691, has the same meaning as in RTC section 23691.

Qualified Rehabilitation Expenditure. For credits issued under RTC section 17053.91, has the same meaning as in RTC section 17053.91. For credits issued under RTC section 23691, has the same meaning as in RTC section 23691.

RTC. Revenue and Taxation Code.

Taxable Year. For credits issued under RTC section 17053.91, has the same meaning as in RTC section 17010. For credits issued under RTC section 23691, has the same meaning as RTC section 23041.

Section 11012. Joint Application and Compliance Process.

- (a) Joint Application. Applicants for a credit available under RTC sections 17053.91 and 23691 shall use the joint application established by OHP and CTCAC.

If OHP designates the project to be a certified historic structure that is eligible for a credit available under RTC sections 17053.91 and 23691, the application package for CTCAC shall include that certification from OHP.

The per project award amount for Qualified Residence projects requested in the joint application shall only be allowed in an amount equal to or more than five thousand dollars (\$5,000) but not exceeding twenty-five thousand dollars (\$25,000). A taxpayer shall only be allowed a credit pursuant to this paragraph once every 10 taxable years.

Applicants may apply at any time, without specific rounds or deadlines and shall meet all requirements prescribed in the joint application.

A complete application is one that includes all required information and documentation listed in the joint application form established by OHP and CTCAC.

- (b) Allocation of Credit. CTCAC shall review each eligible project application. If the application is approved by the Committee, the project shall be allocated a percentage of qualified rehabilitation expenditures.

CTCAC shall allocate the credit available under RTC sections 17053.91 and 23691 among projects deemed eligible by OHP, pursuant to regulations adopted by OHP.

CTCAC may issue a tax credit certification to one or more projects and allocate some or all of the available credit to qualified projects.

In no event shall the total amount of credit certificates issued for any given year exceed the total amount of credits that are available to be allocated for that year pursuant to RTC sections 17053.91 and 23691.

- (c) Fees. CTCAC shall impose fees in an amount that does not exceed the reasonable costs incurred by CTCAC in fulfilling the responsibilities described in this chapter.
 - (1) Processing Fee. A fee in the amount \$500 for Qualified Residence projects and \$1,000 for all other projects shall be submitted to CTCAC at the time the joint application is submitted to CTCAC.
 - (2) Administrative Fee. For projects allocated a tax credit pursuant to this chapter, a fee in the amount equal to two percent of the tax credit allocation shall be submitted to CTCAC within ten (10) calendar days of allocation.
- (d) Compliance. For projects allocated credits pursuant to this chapter, the taxpayer shall demonstrate and verify through annually required tax documentation submitted to FTB that the qualified residence is used as the principal residence, within two years following the completion of rehabilitation of a qualified residence. Failure to provide that tax documentation to CTCAC, or to meet that principal residence requirement, shall result in the recapture of the credit. CTCAC shall report to FTB noncompliant taxpayers.
- (e) Appeal. An appeal to CTCAC staff's determination shall be submitted in writing to the Executive Director and received no later than seven (7) calendar days following the transmittal date of CTCAC staff's determination letter. Appeals shall identify specifically the appellant's grounds for the appeal. The Executive Director will respond in writing within seven (7) calendar days after receipt of the appeal letter. An appeal to the Committee shall be submitted in writing to CTCAC and received no later than seven (7) calendar days following the transmittal date of the Executive Director's letter.

Section 11013. Repeal Provision.

This chapter shall be repealed January 1, 2027, for taxable years beginning on or after January 1, 2021, and before January 1, 2027, the amount of credit allowed pursuant to this section shall be zero dollars (\$0).



California Tax Credit Allocation Committee

AGENDA ITEM 7

Public Comment



California Tax Credit Allocation Committee

AGENDA ITEM 8

Adjournment