

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

**Project Staff Report
Tax-Exempt Bond Project
January 15, 2020**

Antioch Senior and Family Apartments, located at 3560 East 18th Street in Antioch, requested and is being recommended for a reservation of \$4,339,858 in annual federal tax credits and \$36,875,099 in total state tax credits to finance the new construction of 390 units of housing serving large families and seniors with rents affordable to households earning 30-80% of area median income (AMI). The project will be developed by AMCAL Multi-Housing, Inc. and will be located in Senate District 7 and Assembly District 11.

The project financing includes state funding from the MIP through CalHFA.

Project Number CA-20-413

Project Name Antioch Senior and Family Apartments
Site Address: 3560 East 18th St.
Antioch, CA 94509 County: Contra Costa
Census Tract: 3060.02

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$4,339,858	\$36,875,099
Recommended:	\$4,339,858	\$36,875,099

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

Applicant Information

Applicant: AMCAL Antioch Fund, L.P.
Contact: Alexander Pratt
Address: 30141 Agoura Rd. Ste. 100
Agoura Hills, CA 91301
Phone: 818-706-0694
Email: apratt@AmcalHousing.com

General Partner(s) or Principal Owner(s): AMCAL Multi-Housing Inc.
Kingdom Development, Inc.
General Partner Type: Joint Venture
Parent Company(ies): AMCAL Multi-Housing Inc.
Kingdom Development, Inc.
Developer: AMCAL Multi-Housing Inc.
Investor/Consultant: Bank of America
Management Agent: FPI Management Inc

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 11
 Total # of Units: 394
 No. / % of Low Income Units: 390 100.00%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt

Bond Information

Issuer: California Housing Finance Agency
 Expected Date of Issuance: July 1, 2020

Information

Housing Type: Large Family and Seniors
 Geographic Area: East Bay Region
 TCAC Project Analyst: Jack Waegell

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 38	10%
40% AMI: 28	7%
50% AMI: 25	6%
60% AMI: 221	57%
80% AMI: 78	20%

Unit Mix

144 1-Bedroom Units
 142 2-Bedroom Units
 108 3-Bedroom Units

 394 Total Units

<u>Unit Type & Number</u>	<u>2019 Rents Targeted % of Area Median Income</u>	<u>2019 Rents Actual % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
38 1 Bedroom	30%	30%	\$697
28 1 Bedroom	40%	40%	\$930
78 1 Bedroom	80%	74%	\$1,716
14 2 Bedrooms	50%	50%	\$1,395
124 2 Bedrooms	60%	60%	\$1,674
11 3 Bedrooms	50%	50%	\$1,611
97 3 Bedrooms	60%	60%	\$1,933
4 2 Bedrooms	Manager's Unit	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$7,925,742
Construction Costs	\$78,856,832
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$4,028,447
Soft Cost Contingency	\$1,472,245
Relocation	\$0
Architectural/Engineering	\$3,387,200
Const. Interest, Perm. Financing	\$18,906,132
Legal Fees	\$260,000
Reserves	\$2,080,488
Other Costs	\$17,901,642
Developer Fee	\$17,471,246
Commercial Costs	\$0
Total	\$152,289,974

Residential

Construction Cost Per Square Foot:	\$245
Per Unit Cost:	\$386,523
True Cash Per Unit Cost*:	\$355,682

Construction Financing

Source	Amount
Bank of America - Tax-Exempt	\$83,468,371
Bank of America - Taxable	\$43,357,367
Deferred fees and costs	\$14,851,153
Tax Credit Equity	\$10,613,083

Permanent Financing

Source	Amount
CalHFA Loan	\$63,410,000
CalHFA - MIP Loan	\$6,000,000
Deferred Developer Fee	\$12,151,246
Tax Credit Equity	\$70,728,728
TOTAL	\$152,289,974

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$133,946,231
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$133,946,231
Applicable Rate:	3.24%
Total Maximum Annual Federal Credit:	\$4,339,858
Total State Credit:	\$36,875,099
Approved Developer Fee (in Project Cost & Eligible Basis):	\$17,471,246
Investor/Consultant:	Bank of America
Federal Tax Credit Factor:	\$0.95000
State Tax Credit Factor:	\$0.80000

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	\$133,946,231
Actual Eligible Basis:	\$133,946,231
Unadjusted Threshold Basis Limit:	\$173,912,912
Total Adjusted Threshold Basis Limit:	\$242,791,625

Adjustments to Basis Limit

Local Development Impact Fees

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 13%

55-Year Use/Affordability Restriction – 2% for Each 1% of Low-Income and Market Rate Units are Income Targeted at 35% AMI or Below: 18%

Cost Analysis and Line Item Review

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

Significant Information / Additional Conditions

This is an intergenerational project for seniors and families with 390 affordable tax credit units and 4 managers' units. It has 11 residential buildings and 1 community building. Two of the buildings (buildings 10 & 11) with 177 affordable units and 1 manager's unit will be age-restricted for senior tenants. The senior buildings have a central courtyard design and building 10 will have a clubhouse/community space for the seniors' use. The other 9 residential buildings will house the family units with 213 affordable units and 3 two-bedroom managers' units. The community/leasing office building is located in the family section of the project next to building 3. A children's play area and swimming pool will be located between the community/leasing office building and building 4.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee's next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

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

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

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

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

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

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

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

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

CDLAC Additional Conditions

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