CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
April 14, 2020

Ridge View Commons, located at 5200 Case Avenue in Pleasanton, requested and is being recommended for a reservation of $2,598,157 in annual federal tax credits to finance the acquisition and rehabilitation of 198 units of housing serving seniors with rents affordable to households earning 50-80% of area median income (AMI). The project will be developed by Eden Housing Inc. and is located in Senate District 16 and Assembly District 7.

Project Number	CA-20-506	
Project Name	Ridge View Commons	
Site Address:	5200 Case Avenue	
	Pleasanton, CA 94566	County: Alameda
Census Tract:	4506.07	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,598,157	$0
Recommended:	$2,598,157	$0

Applicant Information

Applicant:	Ridge View Commons II Associates, L.P.
Contact:	Andy Madeira
Address:	22645 Grand Street Hayward, CA 94541
Phone:	510-247-8118
Email:	amadeira@edenhousing.org

General Partner(s) or Principal Owner(s):	Ridge View Commons LLC Eden Investments, Inc.
General Partner Type:	Nonprofit
Parent Company(ies):	Eden Investments, Inc. Eden Housing Inc.
Developer:	Eden Housing Inc.
Investor/Consultant:	California Housing Partnership
Management Agent:	Eden Housing Management, Inc.

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	6
Total # of Units:	200
No. / % of Low Income Units:	198 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt

Bond Information

Issuer:	CalHFA
Expected Date of Issuance:	June 15, 2020

Information

Housing Type:	Seniors
Geographic Area:	East Bay Region
TCAC Project Analyst:	Tiffani Negrete

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
50% AMI:	80	40%
60% AMI:	98	49%
80% AMI:	20	10%

Unit Mix

180	1-Bedroom Units
20	2-Bedroom Units
200	Total Units

Unit Type & Number		2019 Rents Targeted % of Area Median Income	2019 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
1	1 Bedroom	50%	21%	$487
8	1 Bedroom	50%	23%	$534
4	1 Bedroom	50%	26%	$611
32	1 Bedroom	50%	28%	$656
28	1 Bedroom	50%	41%	$962
92	1 Bedroom	60%	45%	$1,055
15	1 Bedroom	80%	45%	$1,055
1	2 Bedrooms	50%	19%	$539
1	2 Bedrooms	50%	25%	$705
3	2 Bedrooms	50%	28%	$779
2	2 Bedrooms	50%	35%	$990
1	2 Bedrooms	60%	41%	$1,149
5	2 Bedrooms	60%	43%	$1,213
5	2 Bedrooms	80%	43%	$1,213
2	2 Bedrooms	Manager’s Unit	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$40,011,737
Construction Costs	$0
Rehabilitation Costs	$20,579,076
Construction Hard Cost Contingency	$2,572,385
Soft Cost Contingency	$350,000
Relocation	$500,000
Architectural/Engineering	$755,000
Const. Interest, Perm. Financing	$3,617,500
Legal Fees	$90,000
Reserves	$678,989
Other Costs	$757,982
Developer Fee	$8,460,613
Commercial Costs	$0
Total	**$78,373,282**

Residential

Construction Cost Per Square Foot:	$114
Per Unit Cost:	$391,866
True Cash Per Unit Cost*:	$354,870

Construction Financing

Source	Amount
Wells Fargo - T.E. Bonds	$44,333,758
City of Pleasanton - Assumed	$5,120,967
City of Pleasanton - Assumed	$10,034,520
City of Pleasanton - TBL**	$3,954,000
Seller Carry Back	$2,751,249
Accured Interest	$656,135
Deferred Costs	$3,532,792
Contributed Developer Fee	$332,669
Deferrred Developer Fee	$4,647,944
General Partner Equity	$656,298
Tax Credit Equity	$2,352,950

Permanent Financing

Source	Amount
Wells Fargo - T.E. Bonds	$11,470,000
City of Pleasanton - Assumed	$5,120,967
City of Pleasanton - Assumed	$10,034,520
City of Pleasanton - TBL**	$3,954,000
Seller Carry Back	$2,751,249
Sponsor Loan	$13,600,000
Accured Interest	$656,135
Contributed Developer Fee	$332,669
Deferrred Developer Fee	$4,647,944
General Partner Equity	$656,298
Tax Credit Equity	$25,149,500
TOTAL	**$78,373,282**

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee
** City of Pleasanton Takeback Loan for Land

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$30,194,044
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$40,937,780
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$39,252,257
Qualified Basis (Acquisition):	$40,937,780
Applicable Rate:	3.24%
Maximum Annual Federal Credit, Rehabilitation:	$1,271,773
Maximum Annual Federal Credit, Acquisition:	$1,326,384
Total Maximum Annual Federal Credit:	$2,598,157
Approved Developer Fee (in Project Cost & Eligible Basis):	$8,460,613
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	$0.96797

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:	$71,131,824
Actual Eligible Basis:	$71,131,824
Unadjusted Threshold Basis Limit:	$83,256,240
Total Adjusted Threshold Basis Limit:	$124,884,360

Adjustments to Basis Limit

95% of Upper Floor Units are Elevator-Serviced

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income and Market Rate Units are Income Targeted between 50% AMI & 36% AMI: 40%

Cost Analysis and Line Item Review

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

Significant Information / Additional Conditions

Ridge View Commons was a previous TCAC project, Ridge View Commons (CA-89-088). At the end of the 30-year compliance period the LIHTC program restrictions ended. The project was removed from TCAC's program and no longer regulated by TCAC, thus the project is not considered a resyndication. Existing households must be re-qualified under the new reservation.

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.