CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2020 Waiting List Project
November 11, 2020

Anita Street Apartments, located at 748-760 Anita Street in Chula Vista, requested and is being recommended for a reservation of $2,350,969 in annual federal tax credits to finance the new construction of 95 units of housing serving large families with rents affordable to households earning 30-60% of area median income (AMI). The project will be developed by Wakeland Housing and Development Corporation and will be located in Senate District 40 and Assembly District 80.

The project will be receiving rental assistance in the form of Capitalized Operating Subsidy Reserves (COSR) from the NPLH program of HCD.

Project Number	CA-20-131	
Project Name	Anita Street Apartments	
Site Address:	748-760 Anita Street	
	Chula Vista, CA 91911	County: San Diego
Census Tract:	132.050	

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,350,969	$0
Recommended:	$2,350,969	$0

Applicant Information

Applicant:	Wakeland Anita LP
Contact:	Kenneth L. Sauder
Address:	1230 Columbia Street, #950
	San Diego, CA 92101
Phone:	619-677-2320
Email:	ksauder@wakelandhdc.com

General Partner(s) / Principal Owner(s):	Wakeland Anita, LLC
General Partner Type:	Nonprofit
Parent Company(ies):	Wakeland Housing and Development Corporation
Developer:	Wakeland Housing and Development Corporation
Investor/Consultant:	California Housing Partnership Corporation
Management Agent(s):	ConAm Management Corporation

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	5
Total # of Units:	96
No. & % of Tax Credit Units:	95 100%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	None

Information

Housing Type:	Large Family
Geographic Area:	San Diego County
TCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting Number of Units		Percentage of Affordable Units
At or Below 30% AMI:	29	30%
At or Below 50% AMI:	10	10%
At or Below 60% AMI:	56	55%

Unit Mix

45	1-Bedroom Units
27	2-Bedroom Units
24	3-BedroomUnits
96	Total Units

Unit	Type & Number	2020 Rents Targeted % of Area Median Income	2020 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
21	1 Bedroom	25%	16%	$337
5	2 Bedrooms	30%	24%	$626
3	3 Bedrooms	30%	23%	$695
10	1 Bedroom	50%	43%	$927
14	1 Bedroom	60%	51%	$1,112
21	2 Bedrooms	60%	48%	$1,251
21	3 Bedrooms	60%	46%	$1,390
1	2 Bedrooms	Manager's Unit	Manager's Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$4,044,000
Construction Costs	$20,921,247
Rehabilitation Costs	$0
Construction Contingency	$1,388,762
Relocation	$0
Architectural/Engineering	$1,335,000
Const. Interest, Perm. Financing	$1,768,095
Legal Fees	$35,000
Reserves	$640,812
Other Costs	$4,592,716
Developer Fee	$2,200,000
Commercial Costs	$0
Total	**$36,925,632**

Residential	
Construction Cost Per Square Foot:	$223
Per Unit Cost:	$384,642
True Cash Per Unit Cost*:	$384,642

Construction Financing

Source	Amount
Wells Fargo Bank	$23,182,332
City of Chula Vista Loan	$5,195,165
County of San Diego - NPLH	$4,525,118
Deferred Costs	$1,960,812
Tax Credit Equity	$2,062,205

Permanent Financing

Source	Amount
CCRC	$4,330,800
City of Chula Vista Loan	$5,195,165
County of San Diego - NPLH	$5,027,118
Tax Credit Equity	$22,372,549
TOTAL	**$36,925,632**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$20,093,755
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$26,121,882
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	$2,350,969
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,200,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	$0.95163

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

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	$20,093,755
Actual Eligible Basis:	$30,910,939
Unadjusted Threshold Basis Limit:	$30,484,011
Total Adjusted Threshold Basis Limit:	$34,769,192

Adjustments to Basis Limit

One or More Energy Efficiency/Resource Conservation/Indoor Air Quality Features:

● Project has onsite renewable generation estimated to produce 50% or more of annual tenant electricity use as indicated in TCAC Regulations.

Local Development Impact Fees.

Tie-Breaker Information

First:	**Large Family**
Final:	**52.489%**

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 9.0% of the qualified basis, or, in the case of acquisition credit or credit combined with federal subsidies, 3.24%. 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:

In the sources and uses budget of the electronic application, the off-site improvements row is blank however, the construction and design description included in Tab 12 indicates a cost of $50,000 for off-site improvements. This $50,000 was excluded by the applicant from the final tie breaker calculation because these were ineligible off-site costs. Per TCAC regulation section 10327(a), this initial application error is deemed covered by the contingency line item.

Resyndication and Resyndication Transfer Event: None.

Legal Status

Staff has reviewed the Applicant's responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raised any question regarding the financial viability or legal integrity of the applicant.

Local Reviewing Agency

The Local Reviewing Agency 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.

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

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

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

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

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

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

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

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	**9**	**9**	**9**
General Partner Experience	6	6	6
Management Experience	3	3	3
Housing Needs	**10**	**10**	**10**
Site Amenities	**15**	**15**	**15**
Within ⅓ mile of transit, service every 30 min, 25 units/acre density	7	7	7
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
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
Sustainable Building Methods	**5**	**5**	**5**
NEW CONSTRUCTION/ADAPTIVE REUSE			
Develop project in accordance w/ requirements: GreenPoint Rated Program	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	**113**	**113**	**113**

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

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