

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2021 Second Round**

**October 20, 2021**

Vivalon Healthy Aging Campus, located at 999 3rd Street in San Rafael, requested and is being recommended for a reservation of \$2,236,275 in annual federal tax credits to finance the new construction of 66 units of housing serving seniors 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 2 and Assembly District 10.

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

**Project Number** CA-21-164

**Project Name** Vivalon Healthy Aging Campus  
**Site Address:** 999 3rd Street  
San Rafael, CA 94901 County: Marin  
**Census Tract:** 1110.000

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,236,275	\$0
Recommended:	\$2,236,275	\$0

**Applicant Information**

**Applicant:** San Rafael Senior, L.P.  
**Contact:** Andrea Osgood  
**Address:** 22645 Grand Street  
Hayward, CA 94541  
**Phone:** 510-247-8103  
**Email:** aosgood@edenhousing.org

**General Partner(s) / Principal Owner(s):** San Rafael Senior LLC  
**General Partner Type:** Nonprofit  
**Parent Company(ies):** Eden Development, 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:** 67  
**No. & % of Tax Credit Units:** 66 100%  
**Federal Set-Aside Elected:** 40%/60%  
**Federal Subsidy:** HOME / CDBG / HUD Section 8 Project-Based Vouchers (66 units - 100%)

**Information**

**Set-Aside:** N/A  
**Housing Type:** Seniors  
**Geographic Area:** Northern Region  
**TCAC Project Analyst:** Sarah Gullikson

### 55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
At or Below 30% AMI: 14	20%
At or Below 40% AMI: 16	20%
At or Below 60% AMI: 36	50%

### Unit Mix

50 SRO/Studio Units
16 1-Bedroom Units
1 2-Bedroom Units
67 Total Units

<u>Unit Type &amp; Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
10 SRO/Studio	30%	\$799
11 SRO/Studio	40%	\$1,278
29 SRO/Studio	60%	\$1,598
4 1 Bedroom	30%	\$856
5 1 Bedroom	40%	\$1,370
7 1 Bedroom	60%	\$1,713
1 2 Bedrooms	Manager's Unit	\$0

### Project Cost Summary at Application

Land and Acquisition	\$2,164,637
Construction Costs	\$25,973,211
Rehabilitation Costs	\$0
Construction Contingency	\$1,762,331
Relocation	\$0
Architectural/Engineering	\$1,755,608
Const. Interest, Perm. Financing	\$3,121,084
Legal Fees	\$95,160
Reserves	\$381,912
Other Costs	\$3,420,591
Developer Fee	\$2,200,000
Commercial Costs	\$6,629,507
<b>Total</b>	<b>\$47,504,042</b>

### Residential

Construction Cost Per Square Foot:	\$744
Per Unit Cost:	\$610,068
True Cash Per Unit Cost*:	\$603,691

**Construction Financing**

Source	Amount
Chase Bank	\$30,635,415
Marin County HOME / CDBG	\$896,371
City of San Rafael Housing Trust Fund	\$800,000
Housing Trust Silicon Valley / Apple	\$4,000,000
Marin Community Foundation	\$450,000
Waived Impact Fees	\$496,517
Vivalon - Commercial Contribution	\$6,548,080
GP Equity	\$100
Tax Credit Equity	\$2,012,647

**Permanent Financing**

Source	Amount
Chase Bank - Tranche A	\$5,324,500
Chase Bank - Tranche B	\$9,004,000
Marin County HOME / CDBG	\$896,371
City of San Rafael Housing Trust Fund	\$800,000
Housing Trust Silicon Valley / Apple	\$4,000,000
Marin Community Foundation	\$450,000
Waived Impact Fees	\$496,517
Vivalon - Commercial Contribution	\$6,548,080
GP Equity	\$100
Tax Credit Equity	\$19,984,475
<b>TOTAL</b>	<b>\$47,504,042</b>

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

\*\*Marin Community Foundation - Sponsor Loan

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$19,113,461
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$24,847,500
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,236,275
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	\$0.89365

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:	<b>Seniors</b>
Final:	<b>49.941%</b>

**Significant Information / Additional Conditions**

Development costs are approximately \$709,016 per unit. The applicant noted these costs are a result of the infill location of the site, land costs in the Bay Area and costs associated with soil conditions and a vapor mitigation system required by DTSC.

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, including airspace subdivisions, 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 San Rafael, 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.

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.

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

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

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

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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
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
Senior project within 1/2 mile of daily operated senior center/facility	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
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
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**