

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
June 15, 2022

Aviara East Apartments, located at NE Corner of Aviara and Laurel Tree Lane in Carlsbad, requested and is being recommended for a reservation of \$1,580,344 in annual federal tax credits and \$1,465,440 in total state tax credits to finance the new construction of 69 units of housing serving large families with rents affordable to households earning 40%-60% AMI of area median income (AMI). The project will be developed by BRIDGE Housing Corporation and will be located in Senate District 36 and Assembly District 76.

Project Number CA-22-444

Project Name Aviara East Apartments
Site Address: NE Corner of Aviara Parkway and Laurel Tree Lane
 Carlsbad, CA 92011 County: San Diego
Census Tract: 221.02

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,580,344	\$1,465,440
Recommended:	\$1,580,344	\$1,465,440

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

Applicant Information

Applicant: BRIDGE Housing Corporation
Contact: Jeff Williams
Address: 600 California St, Suite 900
 San Francisco, CA CA 94108
Phone: (619) 814 -1281
Email: jwilliams@bridgehousing.com

General Partner(s) or Principal Owner(s): Aviara East GP, LLC
General Partner Type: Nonprofit
Parent Company(ies): BRIDGE Housing Corporation
Developer: BRIDGE Housing Corporation
Bond Issuer: CMFA
Investor/Consultant: CA Housing Partnership Corporation
Management Agent: BRIDGE Property Management Company

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 70
 No. / % of Low Income Units: 69 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Large Family
 Geographic Area: San Diego County
 TCAC Project Analyst: Cynthia Compton

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 7	10%
50% AMI: 7	10%
60% AMI: 55	80%

Unit Mix

32 1-Bedroom Units
19 2-Bedroom Units
19 3-Bedroom Units
70 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 1 Bedroom	30%	\$682
3 1 Bedroom	50%	\$1,136
26 1 Bedroom	60%	\$1,364
2 2 Bedrooms	30%	\$818
2 2 Bedrooms	50%	\$1,363
15 2 Bedrooms	60%	\$1,636
2 3 Bedrooms	30%	\$909
2 3 Bedrooms	50%	\$1,515
14 3 Bedrooms	60%	\$1,819
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$113,001
Construction Costs	\$19,527,768
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$976,388
Soft Cost Contingency	\$272,385
Relocation	\$0
Architectural/Engineering	\$2,100,000
Const. Interest, Perm. Financing	\$2,282,612
Legal Fees	\$0
Reserves	\$348,465
Other Costs	\$2,406,094
Developer Fee	\$3,964,073
Commercial Costs	\$0
Total	\$31,990,786

Residential

Construction Cost Per Square Foot:	\$233
Per Unit Cost:	\$457,011
True Cash Per Unit Cost*:	\$444,154

Construction Financing

Source	Amount
US Bank Tax-Exempt	\$16,157,000
US Bank Taxable	\$4,506,217
City of Carlsbad	\$3,100,000
Master Developer Loan	\$3,100,000
Deferred Costs	\$2,660,538
Deferred Developer Fee	\$900,000
Tax Credit Equity	\$1,567,031

Permanent Financing

Source	Amount
US Bank - Tax-Exempt	\$7,896,900
City of Carlsbad	\$3,100,000
Master Developer Loan	\$3,100,000
Deferred Developer Fee	\$900,000
General Partner Equity	\$1,564,073
Tax Credit Equity	\$15,429,813
TOTAL	\$31,990,786

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$30,391,223
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$39,508,590
Applicable Rate:	4.00%
Maximum Annual Federal Credit:	\$1,580,344
Total State Credit:	\$1,465,440
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,964,073
Investor/Consultant:	CA Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.89754
State Tax Credit Factor:	\$0.85000

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.

Significant Information / Additional Conditions: None.

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.

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.

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.