

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

Nevin Plaza I, located at 2400 Nevin Avenue in Richmond, requested and is being recommended for a reservation of \$3,579,292 in annual federal tax credits to finance the new construction of 138 units of housing serving seniors with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by EAH Inc., and will be located in Senate District 9 and Assembly District 15.

Project Number CA-22-445

Project Name Nevin Plaza I
 Site Address: 2400 Nevin Avenue
 Richmond CA, 94804 County: Contra Costa
 Census Tract: 3740.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$3,579,292	\$0
Recommended:	\$3,579,292	\$0

Applicant Information

Applicant: Nevin Plaza I, L.P.
 Contact: Welton Jordan
 Address: 22 Pelican Way
 San Rafael CA, 94901
 Phone: (415) 295-8876
 Email: welton.jordan@eahhousing.org

General Partner(s) or Principal Owner(s): Nevin Plaza I EAH, LLC
 General Partner Type: Nonprofit
 Parent Company(ies): EAH Housing (EAH Inc)
 Developer: EAH Inc.
 Bond Issuer: California Municipal Finance Authority
 Investor/Consultant: California Housing Partnership
 Management Agent: EAH Inc.

Project Information

Construction Type: Acquisition & Rehabilitation
 Total # Residential Buildings: 1
 Total # of Units: 140
 No. / % of Low Income Units: 138 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Seniors
 Geographic Area: East Bay Region
 TCAC Project Analyst: Nick White

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 64	46%
40% AMI: 37	27%
50% AMI: 37	27%

Unit Mix

12 SRO/Studio Units
120 1-Bedroom Units
8 2-Bedroom Units
140 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
12 SRO/Studio	30%	\$719
46 1 Bedroom	30%	\$770
6 2 Bedrooms	30%	\$924
37 1 Bedroom	40%	\$1,027
37 1 Bedroom	50%	\$1,284
2 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$27,820,320
Construction Costs	\$0
Rehabilitation Costs	\$33,589,079
Construction Hard Cost Contingency	\$3,398,287
Soft Cost Contingency	\$376,424
Relocation	\$1,052,305
Architectural/Engineering	\$1,795,356
Const. Interest, Perm. Financing	\$3,883,966
Legal Fees	\$278,000
Reserves	\$1,501,651
Other Costs	\$2,429,338
Developer Fee	\$5,053,697
Commercial Costs	\$0
Total	<u>\$81,178,423</u>

Residential

Construction Cost Per Square Foot:	\$453
Per Unit Cost:	\$579,846
True Cash Per Unit Cost*:	\$356,248

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Union Bank - Tax Exempt	\$41,631,580	Union Bank	\$16,510,000
Union Bank - Taxable	\$1,923,145	Seller Carryback	\$27,650,000
Seller Carryback	\$27,650,000	Accrued Deferred Interest	\$994,315
Accrued Deferred Interest	\$994,315	Deferred Developer Fee	\$3,653,697
Costs Deferred Until Conversion	\$2,264,055	General Partner Contribution	\$100
Deferred Developer Fee	\$3,653,697	Tax Credit Equity	\$32,370,311
General Partner Contribution	\$100	TOTAL	\$81,178,423
Tax Credit Equity	\$3,061,531		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$45,961,724
130% High Cost Adjustment:	Yes
Requested Eligible Basis:	\$29,732,059
Applicable Fraction:	100.00%
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,579,292
Approved Developer Fee (in Project Cost & Eligible Basis):	\$5,053,697
Investor/Consultant:	Califorina Housing Partnership
Federal Tax Credit Factor:	\$0.90438

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

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

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.