

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

2400 Willow Pass, located at 2400 Willow Pass in Concord, requested and is being recommended for a reservation of \$4,952,467 in annual federal tax credits and \$13,457,195 in total state tax credits to finance the new construction of 179 units of housing serving large families with rents affordable to households earning 30%-70% of area median income (AMI). The project will be developed by Meta Development, LLC and will be located in Senate District 15 and Assembly District 14.

Project Number CA-22-451

Project Name 2400 Willow Pass
 Site Address: 2400 Willow Pass
 Concord, CA 94519 County: Contra Costa
 Census Tract: 3280.00

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$4,952,467	\$13,457,195
Recommended:	\$4,952,467	\$13,457,195

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

Applicant Information

Applicant: Foundation for Affordable Housing
 Contact: Darrin Willard
 Address: 382 Forest Avenue, Suite 14
 Laguna Beach, CA 92651
 Phone: (949)443-9101
 Email: darrin@ffah.org

General Partner(s) or Principal Owner(s): 2400 Willow Pass, LLC
 FFAH V Willow Pass, LLC
 Foundation for Affordable Housing V, Inc

General Partner Type: Joint Venture
 Parent Company(ies): Meta Development, LLC
 Foundation for Affordable Housing V, Inc

Developer: Meta Development, LLC
 Bond Issuer: California Municipal Finance Authority
 Investor/Consultant: Red Stone Equity Partners
 Management Agent: Cambridge Real Estate Services

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 181
 No. / % of Low Income Units: 179 100.00%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Large Family
 Geographic Area: East Bay Region
 TCAC Project Analyst: Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 22	12%
50% AMI: 36	20%
60% AMI: 33	18%
70% AMI: 88	49%

Unit Mix

80 1-Bedroom Units
 46 2-Bedroom Units
 40 3-Bedroom Units
 15 4-Bedroom Units

 181 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
9 1 Bedroom	30%	\$770
16 1 Bedroom	50%	\$1,284
16 1 Bedroom	60%	\$1,541
39 1 Bedroom	70%	\$1,798
6 2 Bedrooms	30%	\$925
9 2 Bedrooms	50%	\$1,541
7 2 Bedrooms	60%	\$1,849
23 2 Bedrooms	70%	\$2,157
4 3 Bedrooms	30%	\$1,069
7 3 Bedrooms	50%	\$1,781
5 3 Bedrooms	60%	\$2,137
17 3 Bedrooms	70%	\$2,493
1 3 Bedrooms	30%	\$1,069
1 3 Bedrooms	50%	\$1,781
2 3 Bedrooms	70%	\$2,493
2 4 Bedrooms	30%	\$1,192
3 4 Bedrooms	50%	\$1,987
3 4 Bedrooms	60%	\$2,384
7 4 Bedrooms	70%	\$2,782
1 2 Bedrooms	Manager's Unit	\$0
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$10,573,660
Construction Costs	\$64,410,553
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$3,253,861
Soft Cost Contingency	\$600,000
Relocation	\$0
Architectural/Engineering	\$2,112,356
Const. Interest, Perm. Financing	\$8,426,461
Legal Fees	\$347,416
Reserves	\$838,841
Other Costs	\$6,707,587
Developer Fee	\$12,420,282
Commercial Costs	\$0
Total	\$109,691,017

Residential

Construction Cost Per Square Foot:	\$378
Per Unit Cost:	\$606,028
True Cash Per Unit Cost*:	\$559,494

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Pacific Western - Tax-Exempt	\$52,800,000	Pacific Western - Tax Exempt	\$43,720,431
Pacific Western - Taxable	\$27,900,000	Deferred Developer Fee	\$8,422,576
Pacific Western - Recycled Bonds	\$9,000,000	Tax Credit Equity	\$57,548,011
Deferred Operating Reserve	\$838,841	TOTAL	\$109,691,017
Deferred Developer Fee	\$10,519,975		
Tax Credit Equity - State	\$1,798,481		
Tax Credit Equity - Federal	\$6,833,721		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$95,239,749
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$123,811,674
Applicable Rate:	4.00%
Maximum Annual Federal Credit:	\$4,952,467
Total State Credit:	\$13,457,195
Approved Developer Fee (in Project Cost & Eligible Basis):	\$12,420,282
Investor/Consultant:	Red Stone Equity Partners
Federal Tax Credit Factor:	\$0.92017
State Tax Credit Factor:	\$0.89000

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.