

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

La Vista Residential, located at northeast intersection of Tennyson Road and Mission Boulevard in Hayward, requested and is being recommended for a reservation of \$4,739,025 in annual federal tax credits and \$12,210,000 in total state tax credits to finance the new construction of 174 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 Pacific West Communities, Inc. and will be located in Senate District 10 and Assembly District 20.

The project financing includes state funding from the Mixed-Income Program (MIP) through CalHFA.

Project Number	CA-22-458	
Project Name	La Vista Residential	
Site Address:	Northeast Intersection of Tennyson Road & Mission Boulevard Hayward, CA 94544 County: Alameda	
Census Tract:	4351.04	
Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$4,739,025	\$12,210,000
Recommended:	\$4,739,025	\$12,210,000

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

Applicant Information

Applicant:	Eden Housing, Inc., a California Nonprofit Public Benefit Corporation
Contact:	Andrea Osgood
Address:	22645 Grand Street Hayward, CA 94541
Phone:	415.846.2823
Email:	aosgood@edenhousing.org
General Partner(s) or Principal Owner(s):	La Vista Hayward LLC TPC Holdings IX, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Eden Housing, Inc. The Pacific Companies
Developer:	Pacific West Communities, Inc.
Bond Issuer:	California Housing Financing Agency (CalHFA)
Investor/Consultant:	Boston Financial
Management Agent:	Eden Housing Management, Inc.

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	2
Total # of Units:	176
No. / % of Low Income Units:	174 100.00%
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: Jonghyun(Tommy), Shim

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>	
30% AMI:	18	10%
50% AMI:	35	20%
60% AMI:	34	20%
70% AMI:	87	50%

Unit Mix

38 SRO/Studio Units
47 1-Bedroom Units
44 2-Bedroom Units
47 3-Bedroom Units
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176 Total Units

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 SRO/Studio	30%	\$719
1 SRO/Studio	50%	\$1,198
1 SRO/Studio	60%	\$1,438
35 SRO/Studio	70%	\$1,678
8 1 Bedroom	30%	\$770
14 1 Bedroom	50%	\$1,284
23 1 Bedroom	60%	\$1,541
2 1 Bedroom	70%	\$1,573
4 2 Bedrooms	30%	\$924
10 2 Bedrooms	50%	\$1,541
2 2 Bedrooms	60%	\$1,849
28 2 Bedrooms	70%	\$2,024
5 3 Bedrooms	30%	\$1,068
10 3 Bedrooms	50%	\$1,781
8 3 Bedrooms	60%	\$2,137
22 3 Bedrooms	70%	\$2,300
2 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$5,194,171
Construction Costs	\$59,919,731
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$4,000,000
Soft Cost Contingency	\$750,000
Relocation	\$0
Architectural/Engineering	\$1,200,000
Const. Interest, Perm. Financing	\$5,237,500
Legal Fees	\$173,270
Reserves	\$1,242,421
Other Costs	\$5,577,935
Developer Fee	\$11,887,186
Commercial Costs	\$0
Total	\$95,182,214

Residential

Construction Cost Per Square Foot:	\$375
Per Unit Cost:	\$540,808
True Cash Per Unit Cost*:	\$496,108

Construction Financing

Source	Amount
Citibank - Tax-Exempt	\$50,000,000
Citibank - Taxable	\$17,089,601
Bonneville - Recycled T.E.	\$5,000,000
Deferred Costs	\$1,242,421
Deferred Developer Fee	\$11,887,186
Tax Credit Equity	\$9,963,006

Permanent Financing

Source	Amount
CalHFA - T.E.	\$27,500,000
Bonneville - Recycled T.E.	\$5,000,000
CalHFA - MIP Loan	\$5,000,000
Deferred Developer Fee	\$7,867,186
Tax Credit Equity	\$49,815,028
TOTAL	\$95,182,214

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$91,135,094
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$118,475,622
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$4,739,025
Total State Credit:	\$12,210,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$11,887,186
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.83992
State Tax Credit Factor:	\$0.81992

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.