

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

Serra Apartments, located at 42000 Osgood Road in Fremont, requested and is being recommended for a reservation of \$3,773,325 in annual federal tax credits and \$6,168,750 in total state tax credits to finance the new construction of 177 units of housing serving tenants with rents affordable to households earning 30-80% of area median income (AMI). The project will be developed by St. Anton Communities, LLC and will be located in Senate District 10 and Assembly District 25.

The project financing includes state funding from MIP through CalHFA.

Project Number CA-22-475

Project Name Serra Apartments
Site Address: 42000 Osgood Road
 Fremont, CA 94539 County: Alameda
Census Tract: 4422.00

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$3,773,325	\$6,168,750
Recommended:	\$3,773,325	\$6,168,750

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

Applicant Information

Applicant: PacH Anton South Holdings, LLC
Contact: Sahar Soltani
Address: 2115 J Street, Suite 201
 Sacramento, CA 95811
Phone: (916) 471-3000
Email: ss@antoncap.com

General Partner(s) or Principal Owner(s): St. Anton Serra, LLC
 PacH Anton South Holdings, LLC

General Partner Type: Joint Venture

Parent Company(ies): Blue Bronco, LLC
 Pacific Housing, Inc.

Developer: St. Anton Communities, LLC

Bond Issuer: CalHFA

Investor/Consultant: Bank of America, N.A.

Management Agent: St. Anton Multifamily, Inc

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 179
 No. / % of Low Income Units: 177 100.00%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Non-Targeted
 Geographic Area: East Bay Region
 TCAC Project Analyst: Franklin Cui

55-Year Use / Affordability

Aggregate Targeting Number of Units	Percentage of Affordable Units
30% AMI: 18	10%
50% AMI: 71	40%
60% AMI: 71	40%
80% AMI: 17	10%

Unit Mix

121 1-Bedroom Units
50 2-Bedroom Units
8 3-Bedroom Units
179 Total Units

Unit Type & Number	2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
12 1 Bedroom	80%	\$2,055
48 1 Bedroom	60%	\$1,541
48 1 Bedroom	50%	\$1,284
12 1 Bedroom	30%	\$770
4 2 Bedrooms	80%	\$2,466
20 2 Bedrooms	60%	\$1,849
20 2 Bedrooms	50%	\$1,541
5 2 Bedrooms	30%	\$924
1 3 Bedrooms	80%	\$2,850
3 3 Bedrooms	60%	\$2,137
3 3 Bedrooms	50%	\$1,781
1 3 Bedrooms	30%	\$1,068
1 1 Bedroom	Manager's Unit	\$0
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$8,823,119
Construction Costs	\$50,994,266
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,534,481
Soft Cost Contingency	\$234,416
Relocation	\$0
Architectural/Engineering	\$1,511,517
Const. Interest, Perm. Financing	\$7,197,659
Legal Fees	\$467,953
Reserves	\$760,349
Other Costs	\$7,524,498
Developer Fee	\$9,460,000
Commercial Costs	\$0
Total	\$89,508,258

Residential

Construction Cost Per Square Foot:	\$369
Per Unit Cost:	\$500,046
True Cash Per Unit Cost*:	\$462,807

Construction Financing

Source	Amount
Bank of America (Tax Exempt)	\$46,650,000
Bank of America (Taxable)	\$27,490,000
Tax Credit Equity	\$4,290,500

Permanent Financing

Source	Amount
CalHFA	\$32,570,000
CalHFA MIP Loan	\$8,000,000
Pre-Conversion NOI	\$547,622
Deferred Developer Fee	\$6,665,717
Tax Credit Equity	\$41,724,919
TOTAL	\$89,508,258

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$72,563,933
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$94,333,113
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,773,325
Total State Credit:	\$6,168,750
Approved Developer Fee (in Project Cost & Eligible Basis):	\$9,460,000
Investor/Consultant:	Bank of America, N.A.
Federal Tax Credit Factor:	\$0.97500
State Tax Credit Factor:	\$0.80000

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:

The applicant's estimate for annual operating expenses per unit is below the \$7,140 published per unit operating expense minimum required for this type of project. As allowed by TCAC Regulation Section 10327(g)(1), TCAC approves the annual per unit operating expense total of \$6,070 in agreement with the permanent lender and equity investor.

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.