

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

**Project Staff Report
Tax-Exempt Bond Project
June 15, 2022**

Alves Lane Apartments, located at Alves Lane between Virginia Drive and Chadwick Lane in Bay Point, requested and is being recommended for a reservation of \$2,732,963 in annual federal tax credits and \$3,200,000 in total state tax credits to finance the new construction of 99 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 Housing Corporation and will be located in Senate District 7 and Assembly District 14.

The project financing includes state funding from Mixed-Income Program through CalHFA.

Project Number CA-22-479

Project Name Alves Lane Apartments
Site Address: Alves Lane (to be established)
Bay Point (Unincorporated), CA 94565 County: Contra Costa
Census Tract: 3141.04

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,732,963	\$3,200,000
Recommended:	\$2,732,963	\$3,200,000

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

Applicant Information

Applicant: Alves Lane, L.P.
Contact: Chris Maffris
Address: 11150 W Olympic Boulevard, Suite 620
Los Angeles, CA 90064
Phone: 310-575-3543
Email: cmaffris@metahousing.com

General Partner(s) or Principal Owner(s): Alves Lane, LLC
FFAH V Alves Lane, LLC

General Partner Type: Joint Venture
Parent Company(ies): Meta Housing Corporation
Foundation for Affordable Housing V

Developer: Meta Housing Corporation
Bond Issuer: California Housing Finance Agency
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: 100
 No. / % of Low Income Units: 99 100.00%
 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: 10	10%
50% AMI: 20	20%
60% AMI: 19	19%
70% AMI: 50	51%

Unit Mix

18 1-Bedroom Units
36 2-Bedroom Units
36 3-Bedroom Units
10 4-Bedroom Units
<u>100 Total Units</u>

<u>Unit Type & Number</u>	<u>2021 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 1 Bedroom	30%	\$770
4 1 Bedroom	50%	\$1,284
4 1 Bedroom	60%	\$1,541
7 1 Bedroom	70%	\$1,798
3 2 Bedrooms	30%	\$924
7 2 Bedrooms	50%	\$1,541
10 2 Bedrooms	60%	\$1,849
15 2 Bedrooms	70%	\$2,157
3 3 Bedrooms	30%	\$1,068
7 3 Bedrooms	50%	\$1,781
4 3 Bedrooms	60%	\$2,137
22 3 Bedrooms	70%	\$2,493
1 4 Bedrooms	30%	\$1,192
2 4 Bedrooms	50%	\$1,987
1 4 Bedrooms	60%	\$2,384
6 4 Bedrooms	70%	\$2,782
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,912,054
Construction Costs	\$31,069,050
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,653,823
Soft Cost Contingency	\$600,000
Relocation	\$0
Architectural/Engineering	\$1,948,047
Const. Interest, Perm. Financing	\$4,529,360
Legal Fees	\$310,000
Reserves	\$494,317
Other Costs	\$6,069,874
Developer Fee	\$6,855,260
Commercial Costs	\$0
Total	\$58,441,783

Residential

Construction Cost Per Square Foot:	\$273
Per Unit Cost:	\$584,418
True Cash Per Unit Cost*:	\$526,288

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Pacific Western Bank - Tax-Exempt	\$28,325,000	CalHFA Permanent Loan	\$20,742,000
Pacific Western Bank - Recycled	\$4,700,000	CalHFA MIP	\$2,500,000
Pacific Western Bank - Taxable	\$15,000,000	Deferred Developer Fee	\$5,812,981
Deferred Reserves	\$494,317	Tax Credit Equity	\$29,386,802
Deferred Developer Fee and Costs	\$5,514,446	TOTAL	\$58,441,783
Tax Credit Equity - Federal	\$3,976,064		
Tax Credit Equity - State	\$431,957		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$52,556,990
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$68,324,087
Applicable Rate:	4.00%
Maximum Annual Federal Credit:	\$2,732,963
Total State Credit:	\$3,200,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$6,855,260
Investor/Consultant:	Red Stone Equity Partners
Federal Tax Credit Factor:	\$0.96990
State Tax Credit Factor:	\$0.89991

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.