

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

Beth Asher Senior Apartments, located at 3649 Dimond Avenue in Oakland, requested and is being recommended for a reservation of \$1,228,278 in annual federal tax credits to finance the acquisition and rehabilitation of 48 units of housing serving tenants with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by Satellite Affordable Housing Associates and is located in Senate District 9 and Assembly District 18.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will be preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number CA-22-480

Project Name Beth Asher Senior Apartments
 Site Address: 3649 Dimond Avenue
 Oakland, CA 94602 County: Alameda
 Census Tract: 4048.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,228,278	\$0
Recommended:	\$1,228,278	\$0

Applicant Information

Applicant: Beth Asher, LP
 Contact: Susan Friedland
 Address: 1835 Alcatraz Avenue
 Berkeley, CA 94703
 Phone: (510) 809-2762
 Email: sfriedland@sahahomes.org

General Partner(s) or Principal Owner(s): Satellite AHA Development, Inc
 General Partner Type: Nonprofit
 Parent Company(ies): Satellite AHA Development, Inc
 Developer: Satellite Affordable Housing Associates
 Bond Issuer: California Municipal Finance Authority
 Investor/Consultant: Community Economics
 Management Agent: Satellite Affordable Housing Associates Property Management

Project Information

Construction Type: Acquisition & Rehabilitation
 Total # Residential Buildings: 1
 Total # of Units: 49
 No. / % of Low Income Units: 48 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Contract (48 Units - 100%)

Information

Housing Type: At-Risk
 Geographic Area: East Bay Region
 CTCAC Project Analyst: Sarah Gullikson

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	7	15%
50% AMI:	41	85%

Unit Mix

34 SRO/Studio Units
 15 1-Bedroom Units

 49 Total Units

Unit Type & Number	2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
4 SRO/Studio	30%	\$719
1 SRO/Studio	30%	\$719
2 1 Bedroom	30%	\$770
27 SRO/Studio	50%	\$1,198
2 SRO/Studio	50%	\$1,198
12 1 Bedroom	50%	\$1,284
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$14,440,840
Construction Costs	\$0
Rehabilitation Costs	\$8,861,005
Construction Hard Cost Contingency	\$1,329,151
Soft Cost Contingency	\$200,000
Relocation	\$1,300,000
Architectural/Engineering	\$674,575
Const. Interest, Perm. Financing	\$1,990,201
Legal Fees	\$104,400
Reserves	\$551,812
Other Costs	\$446,680
Developer Fee	\$4,021,680
Commercial Costs	\$0
Total	\$33,920,344

Residential

Construction Cost Per Square Foot:	\$418
Per Unit Cost:	\$692,252
True Cash Per Unit Cost*:	\$474,305

Construction Financing

Source	Amount
Citibank Tax-Exempt	\$17,260,613
Seller Carryback	\$9,426,379
Sponsor Loan	\$1,988,925
Income from Operations	\$174,214
Tax Credit Equity	\$1,142,496

Permanent Financing

Source	Amount
Citibank Tax-Exempt	\$4,174,400
Seller Carryback	\$9,779,397
Sponsor Takeback	\$4,973,621
Sponsor Loan	\$1,988,925
Income from Operations	\$174,214
General Partner Equity	\$639,842
Deferred Developer Fee	\$900,000
Photovoltaic Tax Credit Equity	\$125,919
Tax Credit Equity	\$11,164,026
TOTAL	\$33,920,344

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$15,189,381
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$15,580,531
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$15,189,381
Qualified Basis (Acquisition):	\$15,580,531
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$607,575
Maximum Annual Federal Credit, Acquisition:	\$623,221
Total Maximum Annual Federal Credit:	\$1,228,278
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,021,680
Investor/Consultant:	Community Economics
Federal Tax Credit Factor:	\$0.90892

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.

CTCAC 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 CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC 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 CTCAC 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, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, 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 CTCAC 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 CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.