

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

Albany Family Housing, located at 755 Cleveland Avenue in Albany, requested and is being recommended for a reservation of \$2,614,637 in annual federal tax credits and \$15,084,444 in total state tax credits to finance the new construction of 61 units of housing serving large families with rents affordable to households earning 20%-60% of area median income (AMI). The project will be developed by Satellite Affordable Housing Associates and will be located in Senate District 9 and Assembly District

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the No Place Like Home program of HCD .

Project Number CA-22-496

Project Name Albany Family Housing
 Site Address: 755 Cleveland Avenue
 Albany, CA 94706 County: Alameda
 Census Tract: 4203.00

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,614,637	\$15,084,444
Recommended:	\$2,614,637	\$15,084,444

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

Applicant Information

Applicant: Satellite Affordable Housing Associates
 Contact: Eve Stewart
 Address: 1835 Alcatraz Avenue
 Albany, CA 94703
 Phone: 510-809-2754
 Email: estewart@sahahomes.org

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

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 62
 No. / % of Low Income Units: 61 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HOME / AHP / HUD Section 8 Project-based Vouchers (5 units - 8%)

Information

Housing Type: Large Family
 Geographic Area: East Bay Region
 CTCAC Project Analyst: Sarah Gullikson

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
20% AMI:	13	21%
30% AMI:	6	10%
50% AMI:	12	20%
60% AMI:	30	49%

Unit Mix

2 SRO/Studio Units
23 1-Bedroom Units
20 2-Bedroom Units
17 3-Bedroom Units
62 Total Units

Unit Type & Number	2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
2 SRO/Studio	20%	\$479
11 1 Bedroom	20%	\$513
6 1 Bedroom	30%	\$770
2 1 Bedroom	50%	\$1,284
2 2 Bedrooms	50%	\$1,541
5 2 Bedrooms	50%	\$1,541
3 3 Bedrooms	50%	\$1,781
4 1 Bedroom	60%	\$1,541
12 2 Bedrooms	60%	\$1,849
14 3 Bedrooms	60%	\$2,137
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,731,884
Construction Costs	\$38,178,140
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$3,826,002
Soft Cost Contingency	\$469,801
Relocation	\$0
Architectural/Engineering	\$1,490,710
Const. Interest, Perm. Financing	\$3,465,913
Legal Fees	\$70,000
Reserves	\$4,662,921
Other Costs	\$1,909,025
Developer Fee	\$3,000,000
Commercial Costs	\$0
Total	\$61,804,396

Residential

Construction Cost Per Square Foot:	\$633
Per Unit Cost:	\$996,845
True Cash Per Unit Cost*:	\$986,986

Construction Financing

Source	Amount
Silicon Valley Bank: Tax-Exempt	\$29,882,000
Silicon Valley Bank: Taxable Tail	\$8,565,500
Federal Home Loan Bank: AHP	\$915,000
Alameda County: A1	\$2,330,026
Alameda County: HOME	\$2,698,857
City of Albany: Land	\$4,650,000
City of Albany: Fee Waiver	\$406,094
Accrued Interest	\$202,310
Deferred Costs	\$6,642,739
Deferred Developer Fee	\$205,152
Tax Credit Equity	\$5,306,718

Permanent Financing

Source	Amount
CCRC: Tax-Exempt	\$3,933,000
Federal Home Loan Bank: AHP	\$915,000
HCD NPLH	\$5,773,946
HCD NPLH: COSR	\$3,632,401
Alameda County: A1	\$2,330,026
Alameda County: HOME	\$2,698,857
City of Albany: Land	\$4,650,000
City of Albany: Fee Waiver	\$406,094
Accrued Interest	\$202,310
General Partner Contribution	\$794,848
Deferred Developer Fee	\$205,152
Tax Credit Equity	\$36,262,762
TOTAL	\$61,804,396

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$50,281,480
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$65,365,924
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,614,637
Total State Credit:	\$15,084,444
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,000,000
Investor/Consultant:	California Housing Partnership Corporation
Federal Tax Credit Factor:	\$0.92000
State Tax Credit Factor:	\$0.80932

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

Staff noted a per unit cost of \$996,845. The applicant noted that the high cost per unit is attributed to several factors including rising commodity costs, prevailing wage requirements, earthwork for an unlevel site, as well as noise mitigation and additional air filtration due to proximity to freeway and rail.

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.