

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

La Avenida Apartments, located at 1100 La Avenida Street in Mountain View, requested and is being recommended for a reservation of \$3,026,092 in annual federal tax credits to finance the new construction of 98 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Eden Housing and will be located in Senate District 13 and Assembly District 24.

Project Number CA-22-504

Project Name La Avenida Apartments
 Site Address: 1100 La Avenida Street
 Mountain View CA 94043 County: Santa Clara
 Census Tract: 5046.01

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$3,026,092	\$0
Recommended:	\$3,026,092	\$0

Applicant Information

Applicant: Avenida Armand, L.P.
 Contact: Linda Mandolini
 Address: 22645 Grand Street
 Hayward CA 94541
 Phone: 510-542-1460
 Email: lmandolini@edenhousing.org

General Partner(s) or Principal Owner(s): Eden Investments, Inc.
 General Partner Type: Nonprofit
 Parent Company(ies): Eden Housing, Inc.
 Developer: Eden Housing, Inc.
 Bond Issuer: California Municipal Finance Authority
 Investor/Consultant: Community Economics Inc
 Management Agent: Eden Housing Management, Inc.

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 100
 No. / % of Low Income Units: 98 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Non-Targeted
 Geographic Area: South and West Bay Region
 TCAC Project Analyst: Nick White

55-Year Use / Affordability

<u>Aggregate Targeting Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI: 25	26%
40% AMI: 25	26%
50% AMI: 39	40%
60% AMI: 9	9%

Unit Mix

63 SRO/Studio Units
18 1-Bedroom Units
19 2-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>
7 SRO/Studio	30%	\$870
18 SRO/Studio	30%	\$870
15 SRO/Studio	40%	\$1,160
7 SRO/Studio	50%	\$1,450
16 SRO/Studio	50%	\$1,450
10 1 Bedroom	40%	\$1,242
8 1 Bedroom	50%	\$1,553
8 2 Bedrooms	50%	\$1,865
9 2 Bedrooms	60%	\$2,238
2 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,209,382
Construction Costs	\$43,256,593
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,171,289
Soft Cost Contingency	\$618,780
Relocation	\$135,000
Architectural/Engineering	\$2,330,143
Const. Interest, Perm. Financing	\$4,475,434
Legal Fees	\$167,000
Reserves	\$602,394
Other Costs	\$3,164,443
Developer Fee	\$3,500,000
Commercial Costs	\$0
Total	\$63,630,458

Residential

Construction Cost Per Square Foot:	\$608
Per Unit Cost:	\$636,305
True Cash Per Unit Cost*:	\$623,305

Construction Financing

Source	Amount
JP Morgan Chase Tax-Exempt	\$33,374,960
JP Morgan Chase Taxable	\$2,182,587
City of Mountain View	\$15,000,000
Santa Clara County	\$6,473,777
Deferred Accrued Interest	\$640,634
General Partner Equity	\$100
Tax Credit Equity	\$2,784,005

Permanent Financing

Source	Amount
JP Morgan Chase	\$12,518,900
City of Mountain View	\$15,000,000
Santa Clara County	\$6,473,777
Deferred Interest	\$640,634
Eden Housing	\$100
Deferred Developer Fee	\$1,300,000
Tax Credit Equity	\$27,697,047
TOTAL	\$63,630,458

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$58,194,078
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$75,652,301
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,026,092
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,500,000
Investor/Consultant:	Community Economics Inc
Federal Tax Credit Factor:	\$0.91527

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:

Development costs are roughly \$636,305 per unit. The factors affecting this cost include prevailing wages, mandatory sustainability features, offsites, and high construction costs associated with the Bay Area.

Resyndication and Resyndication Transfer Event: None.

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

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.