

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

Hunters Point Shipyard Block 52 and 54, located at 351 and 151 Friedell Street in San Francisco, requested and is being recommended for a reservation of \$5,969,609 in annual federal tax credits to finance the new construction of 110 units of housing serving families with rents affordable to households earning 30%-45% of area median income (AMI). The project will be developed by Rose Communités Development Companies, LLC and will be located in Senate District 11 and Assembly District 17.

Project Number CA-22-540

Project Name Hunters Point Shipyard Block 52 and 54
Site Address: 351 and 151 Friedell Street
San Francisco, CA 94124 County: San Francisco
Census Tract: 9806.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$5,969,609	\$0
Recommended:	\$5,969,609	\$0

Applicant Information

Applicant: HPSY 52-54, LP
Contact: Yusef Freeman
Address: 551 5th Ave
New York, NY 10167
Phone: 415-361-8835
Email: yfreeman@rosecompanies.com

General Partner(s) or Principal Owner(s): Rose HPSY 52-54 GP, LLC
Bayview Hunters Point Multipurpose Senior Services, Inc

General Partner Type: Joint Venture

Parent Company(ies): Rose Companies Holdings
Bayview Hunters Point Multipurpose Senior Services, Inc

Developer: Rose Communités Development Companies, LLC

Bond Issuer: City and County of San Francisco

Investor/Consultant: Bank Of America

Management Agent: John Stewart Companies

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 2
 Total # of Units: 112
 No. / % of Low Income Units: 110 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Large Family
 Geographic Area: San Francisco County
 CTCAC Project Analyst: Franklin Cui

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	13	12%
40% AMI:	73	66%
45% AMI:	24	22%

Unit Mix

49 1-Bedroom Units
31 2-Bedroom Units
23 3-Bedroom Units
9 4-Bedroom Units
112 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
44 1 Bedroom	40%	\$1,386
5 1 Bedroom	30%	\$831
3 2 Bedrooms	40%	\$1,559
6 2 Bedrooms	40%	\$1,559
17 2 Bedrooms	45%	\$1,559
1 2 Bedrooms	30%	\$1,248
2 2 Bedrooms	30%	\$935
20 3 Bedrooms	40%	\$1,733
2 3 Bedrooms	30%	\$1,385
1 3 Bedrooms	30%	\$1,039
7 4 Bedrooms	45%	\$1,871
1 4 Bedrooms	30%	\$1,496
1 5 Bedrooms	30%	\$1,608
2 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$0
Construction Costs	\$94,005,843
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$4,722,510
Soft Cost Contingency	\$925,451
Relocation	\$0
Architectural/Engineering	\$4,053,922
Const. Interest, Perm. Financing	\$8,507,448
Legal Fees	\$1,773,302
Reserves	\$420,034
Other Costs	\$2,272,164
Developer Fee	\$2,211,367
Commercial Costs	\$0
Total	\$118,892,041

Residential

Construction Cost Per Square Foot:	\$827
Per Unit Cost:	\$1,061,536
True Cash Per Unit Cost*:	\$1,059,827

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Bank of America	\$63,000,000	Bank of America	\$4,651,116
SFOCII**	\$48,648,599	SFOCII**	\$59,129,155
Deferred Costs	\$440,034	Deferred Developer Fee	\$191,367
Deferred Developer Fee	\$1,311,367	Tax Credit Equity	\$54,920,404
Tax Credit Equity	\$5,492,040	TOTAL	\$118,892,041

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

**San Francisco Office of Community Investment and Infrastructure

Determination of Credit Amount(s)

Requested Eligible Basis:	\$114,811,656
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$149,255,153
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$5,969,609
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,211,367
Investor/Consultant:	Bank Of America
Federal Tax Credit Factor:	\$0.92000

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.