

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

**Project Staff Report
Tax-Exempt Bond Project
May 10, 2023**

Timber Senior Housing, located at 37660 Timber Street in Newark, requested and is being recommended for a reservation of \$3,353,633 in annual federal tax credits to finance the new construction of 78 units of housing serving seniors with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by Eden Housing, Inc. and will be located in Senate District 10 and Assembly District 24.

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 (NPLH), Multifamily Housing Program (MHP), and Infill Infrastructure Grant (IIG) programs of HCD.

Project Number CA-23-568

Project Name Timber Senior Housing
Site Address: 37660 Timber Street
Newark, CA 94560
County: Alameda
Census Tract: 4446.01

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$3,353,633	\$0
Recommended:	\$3,353,633	\$0

Applicant Information

Applicant: Eden Housing, Inc.
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 Timber, LLC
General Partner Type: For Profit
Parent Company(ies): Eden Housing, Inc.
Developer: Eden Housing, Inc.
Bond Issuer: California Municipal Finance Authority
Investor/Consultant: Community Economics
Management Agent: Eden Housing Management, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 79
No. / % of Low Income Units: 78 100.00%
Federal Set-Aside Elected: 40%/60% Average Income
Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (20 Units - 26%)

Information

Housing Type: Seniors
 Geographic Area: East Bay Region
 CTCAC Project Analyst: Dylan Hervey

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	20	26%
50% AMI:	58	74%

Unit Mix

78 1-Bedroom Units
<u>1 2-Bedroom Units</u>
79 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
8 1 Bedroom	30%	\$326
12 1 Bedroom	30%	\$351
20 1 Bedroom	50%	\$1,339
38 1 Bedroom	50%	\$1,339
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$7,128,946
Construction Costs	\$46,735,007
Construction Hard Cost Contingency	\$2,125,232
Soft Cost Contingency	\$550,000
Architectural/Engineering	\$2,001,350
Const. Interest, Perm. Financing	\$7,359,768
Legal Fees	\$40,000
Reserves	\$911,372
Other Costs	\$3,539,016
Developer Fee	\$5,500,000
Total	\$75,890,691

Residential

Construction Cost Per Square Foot:	\$655
Per Unit Cost:	\$960,642
True Cash Per Unit Cost*:	\$944,186

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Chase Bank: Tax-Exempt	\$39,320,417	Chase Bank: Tax-Exempt	\$2,433,294
Chase Bank: Taxable	\$12,079,257	HCD: NPLH	\$5,202,920
HCD: IIG	\$4,350,480	HCD: IIG	\$4,350,480
Alameda County	\$8,685,214	HCD: MHP	\$17,436,269
City of Newark	\$2,765,000	Alameda County	\$8,685,214
Deferred Costs	\$5,646,372	City of Newark	\$2,765,000
Tax Credit Equity	\$3,043,951	General Partner Equity	\$2,000,000
		Deferred Developer Fee	\$1,300,000
		Tax Credit Equity	\$31,717,514
		TOTAL	\$75,890,691

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$64,492,943
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$83,840,826
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,353,633
Approved Developer Fee (in Project Cost & Eligible Basis):	\$5,500,000
Investor/Consultant:	Community Economics
Federal Tax Credit Factor:	\$0.94577

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.

If points were awarded by CDLAC for housing type, the project shall comply with the housing type requirements at the time of CTCAC's Placed In Service review. The housing type requirement shall be conditioned in the CTCAC Regulatory Agreement and CTCAC Compliance staff shall verify the project is meeting those housing type requirements, consistent with California Code of Regulations, title 4, section 10322(i).