

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 Second Round

November 8, 2023

Mulberry Gardens Senior Apartments, located at 2524 Mulberry Street in Riverside, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$1,999,826 in total state tax credits to finance the new construction of 58 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 31 and Assembly District 41.

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 Local Government Matching Grant (LGMG) program of HCD and the BUILD program of California Energy Commission (CEC).

Project Number CA-23-121

Project Name Mulberry Gardens Senior Apartments
Site Address: 2524 Mulberry Street
Riverside, CA 92501
County: Riverside
Census Tract: 301.03

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$1,999,826
Recommended:	\$2,500,000	\$1,999,826

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

Applicant Information

Applicant: Mulberry Gardens Senior, L.P.
Contact: Andrea Osgood
Address: 22645 Grand Street
Hayward, CA 94541
Phone: 510-247-8103
Email: aosgood@edenhousing.org

General Partner(s) / Principal Owner(s): Mulberry Gardens Senior LLC
General Partner Type: Nonprofit
Parent Company(ies): Eden Housing, Inc.
Developer: Eden Housing, Inc.
Investor/Consultant: Community Economics
Management Agent(s): Eden Housing Management, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 59
No. & % of Tax Credit Units: 58 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME / HUD Section 8 Project-based Vouchers (14 Units - 24%)

Information

Set-Aside: N/A
Housing Type: Seniors
Geographic Area: Inland Empire Region
CTCAC Project Analyst: Jacob Paixao

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	14	20%
At or Below 45% AMI:	9	15%
At or Below 50% AMI:	35	40%

Unit Mix

58 1-Bedroom Units
1 2-Bedroom Units
59 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
14 1 Bedroom	30%	\$524
9 1 Bedroom	45%	\$786
35 1 Bedroom	50%	\$874
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,799,875
Construction Costs	\$23,789,898
Rehabilitation Costs	\$0
Construction Contingency	\$2,719,282
Relocation	\$0
Architectural/Engineering	\$1,093,292
Const. Interest, Perm. Financing	\$3,552,082
Legal Fees	\$165,000
Reserves	\$293,730
Other Costs	\$2,254,486
Developer Fee	\$2,200,000
Commercial Costs	\$0
Total	\$37,867,644

Residential

Construction Cost Per Square Foot:	\$534
Per Unit Cost:	\$641,824
True Cash Per Unit Cost*:	\$604,990

Construction Financing

Source	Amount
JPMorgan Chase	\$21,256,550
City of Riverside: HOME	\$6,000,000
HCD: LGMG	\$216,780
CEC: BUILD Grant	\$1,424,079
DGS ¹ : Ground Lease	\$3,000,000
County of Riverside	\$1,300,000
City of Riverside: Fee Waiver	\$381,640
Deferred Costs	\$1,803,509
General Partner Equity	\$100
Tax Credit Equity	\$2,484,986

Permanent Financing

Source	Amount
JPMorgan Chase	\$531,667
City of Riverside: HOME	\$6,000,000
HCD: LGMG	\$216,780
CEC: BUILD Grant	\$3,000,000
DGS: Ground Lease	\$1,424,079
County of Riverside	\$1,300,000
City of Riverside: Fee Waiver	\$381,640
General Partner Equity	\$100
Deferred Developer Fee	\$367,518
Tax Credit Equity	\$24,645,861
TOTAL	\$37,867,644

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

¹California Department of General Services

Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,777,778
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,778
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$1,999,826
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,200,000
Federal Tax Credit Factor:	\$0.92184
State Tax Credit Factor:	\$0.80000

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Seniors
Self-Score Final:	51.552%
CTCAC Final:	51.552%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Riverside, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received points for sustainable building methods (energy efficiency) must submit the certification required by Section 10325(c)(5) at project completion. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Residents provided free or discounted transit passes, 1 pass per 2 units	2	2	2
Within 3/4 mile of public park or community center open to general public	2	2	2
Within 1 mile of public library	2	2	2
Within 1 1/2 miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Utilizing Excess State Owned Land	2	1	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.