

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2023 Second Round

November 8, 2023

El Dorado Apartments, located at 150 9th Street in San Francisco, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$2,200,000 in total state tax credits to finance the rehabilitation of 62 units of housing serving special needs tenants with rents affordable to households earning 30%-40% of area median income (AMI). The project will be developed by El Dorado Apartments, LP and is located in Senate District 11 and Assembly District 17.

The project will be receiving rental assistance in the form of CoC (Continuum of Care) subsidy from the San Francisco Department of Homelessness and Supportive Housing. The project financing includes state funding from the California Housing Rehabilitation Program - Rental (CHRP-R) program of HCD.

Project Number CA-23-151

Project Name El Dorado Apartments
Site Address: 150 9th Street
San Francisco, CA 94103
County: San Francisco
Census Tract: 176.03

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$2,200,000
Recommended:	\$2,500,000	\$2,200,000

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

Applicant Information

Applicant: Conard House, Inc.
Contact: Anne Quaintance
Address: 1385 Mission Street, Suite 200
San Francisco, CA 94103
Phone: 415-864-7833
Email: anne@conard.org

General Partner(s) / Principal Owner(s): Conard El Dorado Apartments LLC
JSCo El Dorado Apartments LLC
General Partner Type: Joint Venture
Parent Company(ies): Conard House, Inc.
The John Stewart Company
Developer: El Dorado Apartments, LP
Investor/Consultant: Enterprise Community Partners
Management Agent(s): The John Stewart Company

Project Information

Construction Type: Rehabilitation-Only
Total # Residential Buildings: 1
Total # of Units: 62
No. & % of Tax Credit Units: 62 100%
Federal Set-Aside Elected: 40%/60% Average Income
Federal Subsidy: N/A

Information

Set-Aside: N/A
Housing Type: Special Needs
Type of Special Needs: Homeless
Average Targeted Affordability of Special Needs/SRO Project Units: 100.00%
% of Special Need Units: 62 units 100.00%
Geographic Area: San Francisco County
CTCAC Project Analyst: Cynthia Compton

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:	10	15%
At or Below 40% AMI:	52	80%

Unit Mix

62 SRO/Studio Units
62 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
10 SRO/Studio	30%	\$735
47 SRO/Studio	40%	\$735
5 SRO/Studio	40%	\$735

Project Cost Summary at Application

Land and Acquisition	\$4,442,643
Construction Costs	\$0
Rehabilitation Costs	\$14,742,425
Construction Contingency	\$2,515,022
Relocation	\$824,032
Architectural/Engineering	\$1,205,000
Const. Interest, Perm. Financing	\$2,473,150
Legal Fees	\$345,200
Reserves	\$468,531
Other Costs	\$1,081,594
Developer Fee	\$2,176,000
Commercial Costs	\$0
Total	\$30,273,597

Residential

Construction Cost Per Square Foot:	\$629
Per Unit Cost:	\$488,284
True Cash Per Unit Cost*:	\$488,284

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Century Housing Capital	\$19,361,000	HCD: CHRP-R	\$2,534,956
HCD: CHRP-R	\$2,534,956	SF MOHCD ¹	\$1,779,469
SF MOHCD ¹	\$1,779,469	General Partner Equity	\$863,456
Deferred Costs <input type="checkbox"/>	\$1,468,351	General Partner Contribution	\$100
General Partner Equity	\$863,456	Tax Credit Equity	\$25,095,616
General Partner Contribution	\$100	TOTAL	\$30,273,597
Tax Credit Equity	\$4,266,265		

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

¹San Francisco Mayor's Office of Housing and Community Development

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$24,377,152
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$31,690,298
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$2,200,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,176,000
Investor/Consultant:	Enterprice Community Partners
Federal Tax Credit Factor:	\$0.92990
State Tax Credit Factor:	\$0.84006

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

Initial:	Letter of Support
First:	Special Needs
Self-Score Final:	27.187%
CTCAC Final:	27.204%

Significant Information / Additional Conditions

In lieu of 1 on-site manager unit, the project is committing to employ an equivalent number of on-site full-time property management staff (at least one of whom is a property manager) and provide an equivalent number of desk or security staff capable of responding to emergencies for the hours when property management staff is not working. All staff or contractors performing desk or security work shall be knowledgeable of how the property's fire system operates and be trained in, and have participated in, fire evacuation drills for tenants. CTCAC reserves the right to require that one or more on-site managers' units be provided and occupied by property management staff if, in its sole discretion, it determines as part of any on-site inspection that the project has not been adequately operated and/or maintained.

The applicant has requested and has been granted a waiver to underwrite the project with a purchase price in excess of the appraised value where the purchase does not exceed the sum of third-party debt encumbering the property that will be assumed or paid off as allowed by Section 10327(c)(6) of the CTCAC regulations.

Resyndication and Resyndication Transfer Event: None.

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, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1/4 mile of a neighborhood market of at least 5,000 sf	4	4	4
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
In-unit high speed internet service	2	2	2
Service Amenities	10	10	10
SPECIAL NEEDS HOUSING TYPE			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5
Health/behavioral services provided by licensed org. or individual	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
Revitalization Area Project	2	2	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 REAPPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.