

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**Tax-Exempt Bond Project**

**December 6, 2023**

Mayfair Affordable, located at 11690 San Pablo Avenue in El Cerrito, requested and is being recommended for a reservation of \$3,236,223 in annual federal tax credits to finance the new construction of 68 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by BRIDGE Housing Corporation and will be located in Senate District 9 and Assembly District 14.

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 Infill Infrastructure Grant (IIG) and Affordable Housing and Sustainable Communities (AHSC) program(s) of HCD.

**Project Number** CA-23-603

**Project Name** Mayfair Affordable  
Site Address: 11690 San Pablo Avenue  
El Cerrito, CA 94530  
County: Contra Costa  
Census Tract: 6013386000.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$3,236,223	\$0
Recommended:	\$3,236,223	\$0

**Applicant Information**

Applicant: Mayfair Affordable Housing LP  
Contact: Smitha Seshadri  
Address: 600 California Street Suite 900  
San Francisco, CA 94108  
Phone: 415.321.3516  
Email: sseshadri@bridgehousing.com

General Partner(s) or Principal Owner(s): Mayfair Affordable LLC  
General Partner Type: Nonprofit  
Parent Company(ies): BRIDGE Housing Corporation  
Developer: BRIDGE Housing Corporation  
Bond Issuer: County of Contra Costa  
Investor/Consultant: California Housing Partnership Corporation (CHPC)  
Management Agent: BRIDGE Property Management Company (BPMC)

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 69  
No. / % of Low Income Units: 68 100.00%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (17 Units - 25%)

**Information**

Housing Type: Large Family  
Geographic Area: East Bay Region  
CTCAC Project Analyst: Chris Saenz

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	15	22%
40% AMI:	14	21%
50% AMI:	15	22%
60% AMI:	24	35%

**Unit Mix**

15 SRO/Studio Units
18 1-Bedroom Units
18 2-Bedroom Units
18 3-Bedroom Units
<b>69 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2023 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
5 SRO/Studio	30%	\$777
3 SRO/Studio	40%	\$1,036
3 SRO/Studio	50%	\$1,295
4 SRO/Studio	60%	\$1,554
4 1 Bedroom	30%	\$832
4 1 Bedroom	40%	\$1,110
5 1 Bedroom	50%	\$1,387
5 1 Bedroom	60%	\$1,665
3 2 Bedrooms	30%	\$999
4 2 Bedrooms	40%	\$1,332
3 2 Bedrooms	50%	\$1,665
7 2 Bedrooms	60%	\$1,998
3 3 Bedrooms	30%	\$1,153
3 3 Bedrooms	40%	\$1,538
4 3 Bedrooms	50%	\$1,923
8 3 Bedrooms	60%	\$2,307
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$2,113,536
Construction Costs	\$42,753,070
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,198,862
Soft Cost Contingency	\$505,040
Relocation	\$0
Architectural/Engineering	\$2,214,298
Const. Interest, Perm. Financing	\$10,275,496
Legal Fees	\$184,628
Reserves	\$424,796
Other Costs	\$3,709,821
Developer Fee	\$4,500,000
Commercial Costs	\$0
<b>Total</b>	<b>\$68,879,547</b>

**Residential**

Construction Cost Per Square Foot:	\$846
Per Unit Cost:	\$998,254
True Cash Per Unit Cost*:	\$964,921

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
US Bank: Tax-Exempt	\$35,141,577	US Bank: Tax-Exempt	\$5,962,000
US Bank: Taxable	\$10,560,458	HCD: AHSC	\$14,972,372
HCD: AHSC	\$2,250,000	HCD: AHSC	\$2,250,000
HCD: IIG	\$4,197,500	HCD: IIG	\$4,197,500
CCC: M X, PLHA <sup>1</sup>	\$6,913,642	CCC: M X, PLHA <sup>1</sup>	\$6,963,642
City of El Cerrito	\$350,000	City of El Cerrito	\$350,000
City of El Cerrito: Hope VI	\$500,000	City of El Cerrito: Hope VI	\$500,000
City of El Cerrito: Donated Land	\$1,036,105	City of El Cerrito: Donated Land	\$1,036,105
Master Developer Contribution	\$500,000	Master Developer Contribution	\$500,000
Accrued Interest	\$322,652	Accrued Interest	\$322,652
Deferred Developer Fee	\$2,300,000	Deferred Developer Fee	\$2,300,000
Tax Credit Equity	\$2,732,027	Tax Credit Equity	\$29,525,276
		<b>TOTAL</b>	<b>\$68,879,547</b>

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

<sup>1</sup>Contra Costa County: Measure X & Permanent Local Housing Allocation

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$62,235,061
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$80,905,579
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,236,223
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,500,000
Investor/Consultant:	California Housing Partnership Corporation (CHPC)
Federal Tax Credit Factor:	\$0.91234

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**

Staff noted a per unit development cost of \$964,921. The applicant noted that the per unit cost is attributed to increases in interest rates, insurance costs, and construction costs, as well as federal and state prevailing wage requirements, and high-rise construction type.

**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).