

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
December 6, 2023

Congregational Suites, located at 305 E Street in Chula Vista, requested and is being recommended for a reservation of \$1,316,985 in annual federal tax credits to finance the new construction of 55 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Retirement Housing Foundation and will be located in Senate District 18 and Assembly District 80.

Project Number CA-23-613

Project Name Congregational Suites
Site Address: 305 E Street
 Chula Vista, CA 91910
County: San Diego
Census Tract: 124.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,316,985	\$0
Recommended:	\$1,316,985	\$0

Applicant Information

Applicant: 3rd Street RHF and CCDC MGP, LLC
Contact: Kevin Gilchrist
Address: 911 North Studebaker Road
 Long Beach, CA 90815
Phone: 562-257-5100
Email: kevin.gilchrist@rhf.org

General Partner(s) or Principal Owner(s): 3rd Street RHF and CCDC MGP, LLC
General Partner Type: Joint Venture
Parent Company(ies): 3rd Street RHF Housing, Inc.
 Community Congregational Development Corporation
Developer: Retirement Housing Foundation
Bond Issuer: California Municipal Finance Authority
Investor/Consultant: National Affordable Housing Trust
Management Agent: Foundation Property Management

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 56
No. / % of Low Income Units: 55 100.00%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax-Exempt

Information

Housing Type: Seniors
 Geographic Area: San Diego County
 CTCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	7	13%
50% AMI:	7	13%
60% AMI:	41	75%

Unit Mix

55 1-Bedroom Units
1 2-Bedroom Units
56 Total Units

Unit Type & Number	2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
7 1 Bedroom	30%	\$775
7 1 Bedroom	50%	\$1,292
41 1 Bedroom	60%	\$1,551
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,246,090
Construction Costs	\$23,038,386
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,721,153
Soft Cost Contingency	\$160,435
Relocation	\$0
Architectural/Engineering	\$1,054,287
Const. Interest, Perm. Financing	\$2,405,366
Legal Fees	\$354,930
Reserves	\$394,778
Other Costs	\$2,154,598
Developer Fee	\$2,599,000
Commercial Costs	\$2,960,962
Total	\$39,089,985

Residential

Construction Cost Per Square Foot:	\$602
Per Unit Cost:	\$645,161
True Cash Per Unit Cost ¹ :	\$628,657

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citi Community Capital	\$20,197,416	Citi Community Capital	\$5,982,725
CCDC ² - Loan	\$9,200,000	CCDC ² - Loan	\$13,000,000
RHF ³ - Loan	\$6,320,586	RHF ³ - Loan	\$6,320,586
Deferred Developer Fee	\$2,500,000	Deferred Developer Fee	\$1,000,000
Deferred Costs	\$238,629	Solar Tax Credit Equity	\$143,618
Tax Credit Equity	\$633,354	Tax Credit Equity	\$12,643,056
		TOTAL	\$39,089,985

¹ Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

² Community Congregational Development Corporation

³ Retirement Housing Foundation

Determination of Credit Amount(s)

Requested Eligible Basis:	\$32,924,629
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$32,924,629
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,316,985
Approved Developer Fee in Project Cost:	\$2,599,000
Approved Developer Fee in Eligible Basis:	\$2,500,000
Investor/Consultant:	National Affordable Housing Trust
Federal Tax Credit Factor:	\$0.96000

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).