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

Riverstone, located at 2200 Sycamore Drive in Antioch, requested and is being recommended for a reservation of $2,631,651 in annual federal tax credits to finance the acquisition & rehabilitation of 135 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Fairfield Affordable Housing Fund Tranche XIII LLC and is located in Senate District 7 and Assembly District 15.

Riverstone is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Riverstone Apartments (CA-2007-836). See Resyndication and Resyndication Transfer Event below for additional information.

Project Number CA-23-632

Project Name Riverstone
Site Address: 2200 Sycamore Drive
Antioch, CA 94509
County: Contra Costa
Census Tract: 3072.02

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,631,651	$0
Recommended:	$2,631,651	$0

Applicant Information
Applicant: Fairfield Riverstone LP
Contact: Paul Kudirka
Address: 5355 Mira Sorrento Place, Suite 100
San Diego, CA 92121
Phone: (858) 922-2768
Email: pkudirka@ffres.com

General Partner(s) or Principal Owner(s): (To BE FORMED) FRH Riverstone LLC
RCC MGP LLC
General Partner Type: Joint Venture
Parent Company(ies): Fairfield Residential Holdings LLC
Riverside Charitable Corporation
Developer: Fairfield Affordable Housing Fund Tranche XIII LLC
Bond Issuer: CMFA
Investor/Consultant: R4
Management Agent: FF Properties L.P.

Project Information
Construction Type: Acquisition & Rehabilitation
Total # Residential Buildings: 14
Total # of Units: 136
No. / % of Low Income Units: 135 100.00%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax-Exempt

Information

Housing Type:	Non-Targeted
Geographic Area:	East Bay Region
CTCAC Project Analyst:	Sopida Steinwert

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	14	10%
50% AMI:	14	10%
60% AMI:	107	79%

Unit Mix

136	2-Bedroom Units
136	Total Units

Unit Type & Number		2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
14	2 Bedrooms	30%	$999
14	2 Bedrooms	50%	$1,665
46	2 Bedrooms	60%	$1,998
3	2 Bedrooms	60%	$1,998
31	2 Bedrooms	60%	$1,998
27	2 Bedrooms	60%	$1,998
1	2 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$37,430,000
Rehabilitation Costs	$15,013,678
Construction Hard Cost Contingency	$1,501,368
Soft Cost Contingency	$182,600
Relocation	$408,000
Architectural/Engineering	$220,000
Const. Interest, Perm. Financing	$6,676,369
Legal Fees	$377,000
Reserves	$741,466
Other Costs	$189,848
Developer Fee	$4,721,960
Total	**$67,462,289**

Residential

Construction Cost Per Square Foot:	$141
Per Unit Cost:	$496,046
True Cash Per Unit Cost*:	$436,105

Construction Financing

Source	Amount
Citibank Series A&B - Tax-Exempt	$31,780,663
Citibank Series C - Taxable	$5,091,328
CMFA - Tax-Exempt	$6,855,672
General Partner Loan	$9,557,088
General Partner Equity	$752,178
Seller's Note	$3,430,000
Net Operating Income	$1,667,338
Deferred Developer Fee	$4,721,960
Tax Credit Equity	$3,606,062

Permanent Financing

Source	Amount
Citibank Series A - Tax-Exempt	$19,871,992
General Partner Loan	$14,649,791
General Partner Equity	$752,178
Seller's Note	$3,430,000
Net Operating Income	$1,667,338
Deferred Developer Fee	$4,721,960
Tax Credit Equity	$22,369,030
TOTAL	**$67,462,289**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$23,187,525
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$35,647,500
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$30,143,782
Qualified Basis (Acquisition):	$35,647,500
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$1,205,751
Maximum Annual Federal Credit, Acquisition:	$1,425,900
Total Maximum Annual Federal Credit:	$2,631,651
Approved Developer Fee in Project Cost:	$4,721,960
Approved Developer Fee in Eligible Basis:	$4,721,960
Investor/Consultant:	R4
Federal Tax Credit Factor:	$0.85000

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

Prior to closing, the applicant or its assignee shall obtain CTCAC's consent to assign and assume the existing Regulatory Agreement (CA-07-836). To be eligible for a new award of tax credits, the owner must provide documentation with the Form 8609 request (the placed in service submission) that the acquisition date and the placed in service date both occurred after the existing federal 15 year compliance period was completed. For resyndications that were originally rehabilitation and acquisition, the resyndication acquisition date cannot occur before the last rehabilitation credit year of the original credit period.

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

The newly resyndicated project shall continue to meet the rents and income targeting levels in the existing regulatory agreement(s) and any deeper targeting levels in the new regulatory agreement(s) for the duration of the new regulatory agreement(s). Existing households determined to be income-qualified for purposes of IRC §42 credit during the 15-year compliance period are concurrently income-qualified households for purposes of the extended use agreement. As a result, any household determined to be income qualified at the time of move-in under the existing regulatory agreement (CA-07-836) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on CTCAC staff’s review of the commitment in the application. The services documented in the placed in service package will be reviewed by CTCAC staff for compliance with this requirement at the time of the placed in service submission.

The project is a resyndication occurring concurrently with a Transfer Event with distribution of Net Project Equity. The project is currently subject to a Capital Needs Agreement due to a prior Transfer Event. There is a capitalized replacement reserve in the amount of $29,267 which will continue to stay with the project. This Subsequent Transfer Event does not trigger any requirement of either a seller carryback note or a general partner equity contribution.

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).