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

Giant Road Apartments, located at 2832 Giant Road in San Pablo, requested and is being recommended for a reservation of $2,277,190 in annual federal tax credits to finance the acquisition & rehabilitation of 84 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by East Bay Asian Local Development Corporation and is located in Senate District 9 and Assembly District 15.

Giant Road Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Lachen Tara (CA-2005-837). See Resyndication and Resyndication Transfer Event below for additional information. The project will be receiving rental assitance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Multifamily Housing Program (MHP) of HCD.

Project Number CA-23-635

Project Name Giant Road Apartments

Site Address:	2832 Giant Road San Pablo, CA 94806
County:	Contra Costa
Census Tract:	3660.02

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,277,190	$0
Recommended:	$2,277,190	$0

Applicant Information

Applicant:	Giant Development II, LP
Contact:	Kuldeep Birdi
Address:	1825 San Pablo Ave., Ste. 200 Oakland, CA 94612
Phone:	510.334.5204
Email:	kbirdi@ebaldc.org

General Partner(s) or Principal Owner(s):	Giant Development II, LLC
General Partner Type:	Nonprofit
Parent Company(ies):	East Bay Asian Local Development Corporation
Developer:	East Bay Asian Local Development Corporation
Bond Issuer:	California Municipal Finance Agency
Investor/Consultant:	California Housing Partnership
Management Agent:	East Bay Asian Local Development Corporation

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	5
Total # of Units:	86
No. / % of Low Income Units:	84 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HOME / CDBG / HUD Section 8 Project-based Vouchers (21 Units - 25%)

Information

Housing Type:	Large Family
Geographic Area:	East Bay Region
CTCAC Project Analyst:	Dylan Hervey

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	9	11%
50% AMI:	44	52%
60% AMI:	31	37%

Unit Mix

16	1-Bedroom Units
30	2-Bedroom Units
40	3-Bedroom Units
86	Total Units

	Unit Type & Number	2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
1	1 Bedroom	30%	$686
3	2 Bedrooms	30%	$641
4	3 Bedrooms	30%	$528
2	2 Bedrooms	50%	$1,607
9	3 Bedrooms	50%	$1,856
2	2 Bedrooms	60%	$1,928
1	1 Bedroom	30%	$803
19	2 Bedrooms	50%	$1,164
14	3 Bedrooms	50%	$1,589
14	1 Bedroom	60%	$918
2	2 Bedrooms	60%	$1,195
13	3 Bedrooms	60%	$1,408
2	2 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$32,035,200
Rehabilitation Costs	$14,632,506
Construction Hard Cost Contingency	$1,463,251
Soft Cost Contingency	$404,400
Relocation	$996,000
Architectural/Engineering	$627,000
Const. Interest, Perm. Financing	$3,834,844
Legal Fees	$170,000
Reserves	$523,750
Other Costs	$2,025,972
Developer Fee	$4,726,917
Total	**$61,439,840**

Residential

Construction Cost Per Square Foot:	$141
Per Unit Cost:	$714,417
True Cash Per Unit Cost*:	$469,642

Construction Financing

Source	Amount
Chase - Tax-Exempt	$30,502,828
Chase - Tax-Exempt, Recycled	$1,521,442
HCD MHP[1]	$8,304,755
CCC CDBG/HOME[2]	$2,474,919
City of San Pablo	$1,549,164
Seller Carryback	$8,697,089
Deferred Interest	$1,361,440
Cost Deferred	$2,275,632
Deferred Developer Fee	$2,726,917
Tax Credit Equity	$2,025,654

Permanent Financing

Source	Amount
Chase - Tax-Exempt	$4,519,000
HCD MHP[1]	$8,304,755
CCC CDBG/HOME[2]	$2,474,919
City of San Pablo	$1,549,164
Seller Carryback	$8,697,089
Deferred Seller Carryback	$9,626,621
Deferred Interest	$1,361,440
Net Operating Income	$276,395
Deferred Developer Fee	$2,726,917
Tax Credit Equity	$21,903,540
TOTAL	**$61,439,840**

[1]Housing & Community Development (HCD) - Multifamily Housing Program (MHP)

[2]Contra Costa County (CCC) - Community Development Block Grant (CDBG)/HOME Investment Partnerships Program (HOME)

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$24,342,908
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	$32,586,856
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$24,342,908
Qualified Basis (Acquisition):	$32,586,856
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$973,716
Maximum Annual Federal Credit, Acquisition:	$1,303,474
Total Maximum Annual Federal Credit:	$2,277,190
Approved Developer Fee in Eligible Basis:	$4,726,917
Investor/Consultant:	California Housing Partnership
Federal Tax Credit Factor:	$0.96187

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 $714,417. The applicant noted that the per unit cost is attributed to the cost of the land and improvements being more than half of the development budget.

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-2005-837). 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 and any deeper targeting levels in the new regulatory agreement for the duration of the new regulatory agreement. 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-2005-837) 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 without distribution of Net Project Equity, and thus is waived from the requirements under CTCAC Regulation Section 10320(b)(4)(B).

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).