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

Lion Creek Crossings Phase II, located at 6865 Leona Creek Dr. in Oakland, requested and is being recommended for a reservation of $2,549,618 in annual federal tax credits to finance the acquisition & rehabilitation of 145 units of housing serving tenants with rents affordable to households earning 40%-60% of area median income (AMI). The project will be developed by Related Irvine Development Company and is located in Senate District 8 and Assembly District 9.

Lion Creek Crossings Phase II is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Coliseum Gardens - Phase II (CA-2005-869). See Resyndication and Resyndication Transfer Event below for additional information.

The project will be receiving rental assistance in the form of . The project financing includes state funding from the Multifamily Housing Program (MHP) program of HCD.

Project Number	CA-23-663
Project Name	Lion Creek Crossings Phase II
Site Address:	6865 Leona Creek Dr. Oakland, CA 94621
County:	Alameda
Census Tract:	4088.00

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,549,618	$0
Recommended:	$2,549,618	$0

Applicant Information

Applicant:	Lion Creek Crossings Phase II Housing Partners, L.P.
Contact:	Ann Silverberg
Address:	44 Montgomery St. Suite 1310 San Francisco, CA 94104
Phone:	510-610-9777
Email:	asilverberg@related.com

General Partner(s) or Principal Owner(s):	Related/Lion Creek Crossings Phase 1 Housing Development Co., LLC Lion Creek 2 Phase I LLC
General Partner Type:	Joint Venture
Parent Company(ies):	The Related Companies of California, LLC East Bay Asian Local Development Corporation
Developer:	Related Irvine Development Company
Bond Issuer:	Cal HFA
Investor/Consultant:	US Bank
Management Agent:	Related Management Company

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	13
Total # of Units:	146
No. / % of Low Income Units:	145 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (59 Units - 40.97%)

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
40% AMI:	56	39%
50% AMI:	60	41%
60% AMI:	29	20%

Unit Mix

28 1-Bedroom Units
63 2-Bedroom Units
43 3-Bedroom Units
12 4-Bedroom Units
146 Total Units

Unit Type & Number		2023 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
9	1 Bedroom	40%	$646
13	1 Bedroom	50%	$808
6	1 Bedroom	60%	$969
5	2 Bedrooms	40%	$946
26	2 Bedrooms	50%	$1,183
6	2 Bedrooms	50%	$1,183
4	2 Bedrooms	50%	$1,183
5	2 Bedrooms	60%	$1,420
16	2 Bedrooms	60%	$1,420
32	3 Bedrooms	40%	$1,093
5	3 Bedrooms	50%	$1,366
2	3 Bedrooms	50%	$1,366
3	3 Bedrooms	50%	$1,366
1	3 Bedrooms	60%	$1,640
4	4 Bedrooms	40%	$1,219
1	4 Bedrooms	40%	$1,219
5	5 Bedrooms	40%	$1,345
1	5 Bedrooms	50%	$1,681
1	5 Bedrooms	60%	$2,017
1	2 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application

Land and Acquisition	$32,384,000
Rehabilitation Costs	$11,630,938
Construction Hard Cost Contingency	$1,744,641
Soft Cost Contingency	$1,727,677
Relocation	$742,500
Architectural/Engineering	$511,500
Const. Interest, Perm. Financing	$5,208,961
Legal Fees	$264,000
Reserves	$1,155,154
Other Costs	$3,060,147
Developer Fee	$4,635,304
Total	**$63,064,822**

Residential

Construction Cost Per Square Foot:	$77
Per Unit Cost:	$431,951
True Cash Per Unit Cost*:	$382,595

Construction Financing

Source	Amount
U.S. Bank - Tax-Exempt	$32,265,881
U.S. Bank Recycled Bond	$5,132,832
HCD - MHP	$14,082,682
OHA[1]: HOME	$1,227,606
OHA[1]: Hope VI	$3,738,876
Deferred Developer Fee	$4,160,718
Deferred Costs	$1,155,154
Tax Credit Equity	$2,396,641

Permanent Financing

Source	Amount
U.S. Bank - Tax-Exempt	$7,245,000
HCD - MHP	$14,082,682
OHA[1]: HOME	$1,227,606
OHA[1]: Hope VI	$7,430,139
Seller Carryback	$5,711,004
Purchased Reserves	$936,418
Capitalized Soft Loan Interest	$512,285
Net Operating Income	$458,278
Deferred Developer Fee	$1,494,997
Tax Credit Equity	$23,966,413
TOTAL	**$63,064,822**

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

[1]Oakland Housing Authority

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$23,183,213
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$33,839,557
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$30,138,177
Qualified Basis (Acquisition):	$33,839,557
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$1,196,036
Maximum Annual Federal Credit, Acquisition:	$1,353,582
Total Maximum Annual Federal Credit:	$2,549,618
Approved Developer Fee in Project Cost:	$4,635,304
Approved Developer Fee in Eligible Basis:	$4,635,304
Investor/Consultant:	US Bank
Federal Tax Credit Factor:	$0.94000

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
The applicant requested and has been granted a waiver to the requirements referenced in CTCAC Regulations Section 10325(f)(7)(K) requiring a rehabilitation project to provide a minimum of 10% of the Low Income Units with mobility features, as defined in CBC 11B 809.2 through 11B 809.4, and 4% with communications features, as defined in CBC 11B 809.5, with the condition that the approval is not in conflict with federal or state law.

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-2005-869). 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-2005-869) 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).