

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Placed in Service
June 7, 2017

Project Number CA-14-810

Project Name Esperanza & Colosimo Apartments

Site Address:	Esperanza Apartments 3590 19th Street San Francisco, CA 94110	Colosimo Apartments 3298 25th Street San Francisco, CA 94110
Census Tract:	207.00	229.01
County:	San Francisco	

Tax Credit Amounts	Federal/Annual	State/Total
Reserved at PR:	\$707,403	\$0
Recommended at PIS:	\$825,971	\$0

Owner Information

Owner:	MHDC Esperanza-Colosimo, LP	
Contact:	Sam Moss	
Address:	474 Valencia Street, Suite 280 San Francisco, CA 94103	
Phone:	(415) 864-6432	Fax: (415) 864-0378
Email:	smoss@missionhousing.org	

General Partner(s) or Principal Owner(s):	MHDC CA MGP III, LLC IDG Esperanza-Colosimo, LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Mission Housing Development Corporation Impact Development Group
Developer:	Mission Housing Development Corporation
Investor/Consultant:	City Real Estate Advisors
Management Agent:	Caritas Management Corporation

Placed in Service Dates: Rehabilitation: 7/17/15 and 8/11/15
Acquisition: 8/27/14

Federal Rate: 3.25% fixed at bond issuance in August 2017

% of aggregate basis financed with tax-exempt bonds: 50.02%

Project Information

Construction Type: Acquisition & Rehabilitation
 Total # Residential Buildings: 2
 Total # of Units: 50
 No. & % of Tax Credit Units: 49 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (49 units-100%)
 HCD MHP Funding: No
 55-Year Use/Affordability: Yes
 Number of Units @ or below 50% of area median income: 16
 Number of Units @ or below 60% of area median income: 33

Bond Information

Issuer: CalHFA
 Date of Issuance: August 2014
 Credit Enhancement: N/A

Information

Housing Type: Non-Targeted
 Geographic Area: San Francisco County
 TCAC Project Analyst: Mark Stivers

Unit Mix

27 SRO/Studio Units
 12 1-Bedroom Units
11 2-Bedroom Units
 50 Total Units

<u>Unit Type & Number</u>	<u>2016 Rents Targeted % of Area Median Income</u>	<u>2016 Rents Actual % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
Esperanza Apartments			
19 SRO/Studio	60%	60%	\$1,291
5 1 Bedroom	60%	60%	\$1,383
8 SRO/Studio	50%	50%	\$1,076
6 1 Bedroom	50%	50%	\$1,153
1 1 Bedroom	Manager's Unit	Manager's Unit	\$2,309
Colosimo Apartments			
9 2 Bedrooms	60%	60%	\$1,660
2 2 Bedrooms	50%	50%	\$1,383

Project Financing

Actual Total Project Cost:	\$26,969,697
Estimated Total Project Cost:	\$23,065,406

Residential

Construction Cost Per Square Foot:	\$178
Per Unit Cost:	\$539,394

Permanent Financing at PR

Source	Amount
Citibank	\$11,500,000
MHDC Seller Carryback	\$3,996,560
Replacement Reserves	\$261,911
Net Operating Income	\$585,934
General Partner Equity	\$672
Tax Credit Equity	\$6,720,329
TOTAL	\$23,065,406

Permanent Financing at PIS

Source	Amount
Citibank	\$11,500,000
MHDC Seller Takeback	\$7,480,952
Deferred Developer Fee	\$142,020
Tax Credit Equity	\$7,846,725
TOTAL	\$26,969,697

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$9,008,990
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$13,702,815
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$11,711,687
Qualified Basis (Acquisition):	\$13,702,815
Applicable Rate:	3.25%
Maximum Annual Federal Credit, Rehabilitation:	\$380,630
Maximum Annual Federal Credit, Acquisition:	\$445,341
Total Maximum Annual Federal Credit:	\$825,971
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	City Real Estate Advisors
Federal Tax Credit Factor:	\$0.95000

Eligible Basis and Basis Limit

Requested Unadjusted Eligible Basis:	\$22,711,805
Actual Eligible Basis:	\$22,711,805
Unadjusted Threshold Basis Limit:	\$17,403,671
Total Adjusted Threshold Basis Limit:	\$22,972,846

Adjustments to Basis Limit:

55-Year Use/Affordability Restriction – 1% for Each 1% of Low-Income Units are Income Targeted between 50% AMI & 36% AMI: 32%

Special Issues/Other Significant Information:

Staff noted a per unit development cost of \$539,394, which is relatively higher than the average in the geographic area. The applicant noted that the high per unit cost is attributed to land, prevailing wages, and extensive rehabilitation to resident units and base building systems.

The applicant increased the number of 50% AMI units by 11 over the 2014 reservation to increase the threshold basis limits, which were exceeded.

Additional Conditions: The applicant/owner is required to provide the tenants with the following service amenities free of charge for a minimum of ten (10) years in accordance with the bond allocation from CDLAC. These services may be changed to meet the needs of the tenants upon prior approval from CDLAC and written notification to TCAC:

- Contract with a full time equivalent bona fide service coordinator / social worker for a minimum of 134 FTE hours per year for the Esperanza Apartments

The project shall improve energy efficiency above the current modeled energy consumption by 15%.