

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2024 First Round

May 15, 2024

Legacy Court, located at 1243-1267, 1300-1324, 1329 Fred Jackson Way in Richmond, requested and is being recommended for a reservation of \$2,380,964 in annual federal tax credits to finance the new construction of 42 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Eden Housing Inc. & Community Housing Development Corporation of North Richmond and will be located in Senate District 9 and Assembly District 14.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the No Place Like Home (NPLH) and Permanent Local Housing Allocation (PLHA) programs of HCD.

Project Number CA-24-033

Project Name Legacy Court
Site Address: 1243-1267, 1300-1324, 1329 Fred Jackson Way
Richmond, CA 94801
County: Contra Costa
Census Tract: 3650.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,380,964	\$0
Recommended:	\$2,380,964	\$0

Applicant Information

Applicant: Legacy Court, LP
Contact: Andrea Osgood
Address: 22645 Grand Street
Hayward, CA 94541
Phone: 510-247-8103
Email: aosgood@edenhousing.org

General Partner(s) / Principal Owner(s): Legacy Court LLC
General Partner Type: Nonprofit
Parent Company(ies): Eden Housing, Inc.
CHDC of North Richmond
Developer: Eden Housing, Inc.
CHDC of North Richmond
Investor/Consultant: Community Economics, Inc.
Management Agent(s): Eden Housing Management, Inc.

Project Information

Construction Type: New Construction
Total # Residential Buildings: 7
Total # of Units: 43
No. & % of Tax Credit Units: 42 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HOME / HUD Section 8 Project-based Vouchers (25 Units - 60%)

Information

Set-Aside: N/A
Housing Type: Large Family
Geographic Area: East Bay Region
CTCAC Project Analyst: Franklin Cui

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 30% AMI:	17	40%
At or Below 50% AMI:	9	20%
At or Below 60% AMI:	16	35%

Unit Mix

21 1-Bedroom Units
10 2-Bedroom Units
12 3-Bedroom Units
43 Total Units

<u>Unit Type & Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
13 1 Bedroom	30%	\$832
8 1 Bedroom	50%	\$1,387
1 2 Bedrooms	30%	\$999
8 2 Bedrooms	60%	\$1,998
3 3 Bedrooms	30%	\$1,153
1 3 Bedrooms	50%	\$1,923
8 3 Bedrooms	60%	\$2,307
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,900,198
Construction Costs	\$25,574,518
Rehabilitation Costs	\$0
Construction Contingency	\$1,884,805
Relocation	\$0
Architectural/Engineering	\$1,385,742
Const. Interest, Perm. Financing	\$4,232,424
Legal Fees	\$185,000
Reserves	\$416,682
Other Costs	\$2,376,954
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$41,456,323

Residential

Construction Cost Per Square Foot:	\$563
Per Unit Cost:	\$964,101
True Cash Per Unit Cost*:	\$964,101

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Chase	\$25,646,062	Chase	\$4,576,000
DTSC ¹ Grant	\$464,940	HCD - NPLH	\$3,068,786
Sponsor Loan: SB104 Funds	\$3,000,000	DTSC ¹ Grant	\$464,940
County: HOME-ARP	\$4,382,047	Sponsor Loan: SB104 Funds	\$3,000,000
County: Measure X	\$1,421,000	County: HOME-ARP	\$4,382,047
County: PLHA	\$1,000,000	County: Measure X	\$1,421,000
City of Richmond	\$1,099,593	County: PLHA	\$1,000,000
City of Richmond Grant	\$269,792	City of Richmond	\$1,099,593
General Partner Equity	\$100	City of Richmond Grant	\$269,792
Tax Credit Equity	\$2,238,107	General Partner Equity	\$100
		Tax Credit Equity	\$22,174,065
		TOTAL	\$41,456,323

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

¹Department of Toxic Substance Control

Determination of Credit Amount(s)

Requested Eligible Basis:	\$20,350,123
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$26,455,160
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,380,964
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	\$0.93131

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Large Family
Self-Score Final:	70.197%
CTCAC Final:	69.825%

Significant Information / Additional Conditions:

Staff noted a per-unit cost of \$964,101. The applicant noted that this project's cost is due to payment of prevailing wages, multi-site construction requirements, high interest rates on construction, and a long predevelopment timeline. Summarily, the project is divided across 3 sites at the corner of Fred Jackson Way and Sanford Avenue in North Richmond. This requires 3 separate connections to overhead utilities, as well as more curb and gutter work compared to a project on a single site. A holding period of 22 years results in higher costs for predevelopment interest, taxes, and site maintenance.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Richmond, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 1/2 miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL REAPPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.