

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
Project Staff Report  
Qualified Private Activity Tax-Exempt Bond Project  
August 6, 2024**

Vera Avenue Apartments, located at 112 Vera Avenue in Redwood City on a 0.6 acre site, requested and is being recommended for a reservation of \$4,388,644 in annual federal tax credits and \$23,969,101 in total state tax credits and \$45,365,000 of tax-exempt bond cap to finance the new construction of 178 units of housing, consisting of 176 restricted rental units, and 2 unrestricted manager's units. The project will have 25 studio units, and 153 one-bedroom units, serving tenants with rents affordable to households earning 30%-70% of area median income (AMI). The building will be seven story Type I-A and Type III-A construction. Common amenities include community room, laundry facilities, and fitness center. Each unit will have a refrigerator, and range/oven/cooktop. The construction is expected to begin in January 2025 and be completed in January 2027. The project will be developed by Corporation for Better Housing and will be located in Senate District 13 and Assembly District 21.

The project financing includes state funding from the Mixed-Income Program (MIP) through CalHFA.

**Project Number** CA-24-493

**Project Name** Vera Avenue Apartments  
Site Address: 112 Vera Avenue  
Redwood City, CA 94061  
County: San Mateo  
Census Tract: 6102.03

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$4,388,644	\$23,969,101
Recommended:	\$4,388,644	\$23,969,101

\* The applicant made an election to sell (Certificate) all or any portion of the state credits.

**Tax-Exempt Bond Allocation**  
Recommended: \$45,365,000

**CTCAC Applicant Information**  
CTCAC Applicant / CDLAC Sponsor: Corporation for Better Housing, a Nonprofit Public Benefit Corp.  
Contact: Lori Koester  
Address: 20750 Ventura Blvd., Suite 155  
Woodland Hills, CA 91364  
Phone: 818-605-3758  
Email: lkoester@corpoffices.org

**Bond Financing Information**  
CDLAC Applicant/Bond Issuer: California Housing Finance Agency  
Bond Counsel: Orrick, Herrington & Sutcliffe LLP  
Private Placement Purchaser: U.S. Bank National Association

**Development Team**

General Partner(s) or Principal Owner(s): Corporation for Better Housing, a Nonprofit Public Benefit Corp.  
 Summix, LLC

General Partner Type: Joint Venture

Parent Company(ies): Corporation for Better Housing, a Nonprofit Public Benefit Corp.  
 Summix, LLC

Developer: Corporation for Better Housing

Investor/Consultant: Walker & Dunlop

Management Agent: WinnResidential California LP

**Project Information**

Construction Type: New Construction

Total # Residential Buildings: 1

Total # of Units: 178

No. / % of Low Income Units: 176 100.00%

Average Targeted Affordability: 51.54%

Federal Set-Aside Elected: 40%/60% Average Income

Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Non-Targeted

Geographic Area: South and West Bay Region

State Ceiling Pool: New Construction

Set Aside: Mixed Income Set Aside

CDLAC Project Analyst: Jake Salle

CTCAC Project Analyst: Sopida Steinwert

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	31	18%
50% AMI:	75	43%
60% AMI:	51	29%
70% AMI*:	19	11%

\*CTCAC restricted only

**Unit Mix**

25 SRO/Studio Units

153 1-Bedroom Units

178 Total Units

<u>Unit Type &amp; Number</u>	<u>2023 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 SRO/Studio	30%	\$975
11 SRO/Studio	50%	\$1,626
6 SRO/Studio	60%	\$1,951
3 SRO/Studio	70%	\$2,276
26 1 Bedroom	30%	\$1,045
64 1 Bedroom	50%	\$1,742
45 1 Bedroom	60%	\$2,091
16 1 Bedroom	70%	\$2,439
2 1 Bedroom	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$6,150,000
Construction Costs	\$56,830,425
Construction Hard Cost Contingency	\$2,841,522
Soft Cost Contingency	\$790,000
Architectural/Engineering	\$1,902,000
Const. Interest, Perm. Financing	\$10,704,140
Legal Fees	\$280,000
Reserves	\$1,055,300
Other Costs	\$5,449,000
Developer Fee	\$9,840,000
<b>Total</b>	<b>\$95,842,387</b>

**Residential**

Construction Cost Per Square Foot:	\$542
Per Unit Cost:	\$538,440
Estimated Hard Per Unit Cost:	\$280,064
True Cash Per Unit Cost*:	\$496,954
Bond Allocation Per Unit:	\$254,860
Bond Allocation Per Restricted Rental Unit:	\$288,949

**Construction Financing**

<u>Source</u>	<u>Amount</u>
US Bank: Tax-Exempt	\$45,365,000
US Bank: Recycled	\$8,000,000
US Bank: Taxable	\$8,000,000
Tax Credit Equity	\$23,927,622

**Permanent Financing**

<u>Source</u>	<u>Amount</u>
CalHFA	\$26,102,000
CalHFA: MIP	\$4,000,000
Deferred Developer Fee	\$7,384,621
Tax Credit Equity	\$58,355,766
<b>TOTAL</b>	<b>\$95,842,387</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$84,397,007
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$109,716,109
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$4,388,644
Total State Credit:	\$23,969,101
Approved Developer Fee (in Project Cost & Eligible Basis):	\$9,840,000
Investor/Consultant:	Walker & Dunlop
Federal Tax Credit Factor:	\$0.86000
State Tax Credit Factor:	\$0.86000

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.

**CTCAC Significant Information / Additional Conditions:** None.

**CDLAC Analyst Comments**

None

**Resyndication and Resyndication Transfer Event:** None.

**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).

<b>Point Criteria</b>	<b>New Const. Max. Points</b>	<b>Rehabilitation Max. Points</b>	<b>Points Scored</b>
Preservation and Other Rehabilitation Project Priorities	0	20	0
New Construction Density and Local Incentives	10	0	10
Exceeding Minimum Income Restrictions	20	20	20
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	9
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
<b>Total Points</b>	120	110	119

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.

**Tie Breaker:** 110.044%