

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
December 11, 2024**

Civic Crossing (699 Ygnacio Valley Road), located at 699 Ygnacio Valley Road in Walnut Creek on a 0.86 acre site, requested and is being recommended for a reservation of \$3,884,742 in annual federal tax credits and \$46,881,118 of tax-exempt bond cap to finance the new construction of 93 units of housing, consisting of 92 restricted rental units and 1 unrestricted manager's unit. The project will have 24 studio units, 21 one-bedroom units, 24 two-bedroom units, and 24 three-bedroom units, serving families with rents affordable to households earning 20%-60% of area median income (AMI). The construction is expected to begin in May 2025 and be completed in February 2027. The project will be developed by Resources for Community Development and will be located in Senate District 7 and Assembly District 16.

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), Affordable Housing and Sustainable Communities (AHSC), and Local Housing Trust Fund (LHTF) programs of HCD.

Project Number CA-24-649

Project Name Civic Crossing (699 Ygnacio Valley Road)
Site Address: 699 Ygnacio Valley Road
Walnut Creek, CA 94596

County: Contra Costa
Census Tract: 3390.03

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$3,884,742	\$0
Recommended:	\$3,884,742	\$0

Tax-Exempt Bond Allocation
Recommended: \$46,881,118

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: YVR, L.P.
Contact: Norma Guzman
Address: 2220 Oxford Street
Berkeley, CA 94704

Phone: 510-841-4410
Email: nguzman@rcdhousing.org

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Chase Bank

Development Team

General Partner(s) or Principal Owner(s): RCD GP LLC
 General Partner Type: Nonprofit
 Parent Company(ies): Resources for Community Development
 Developer: Resources for Community Development
 Investor/Consultant: Community Economics
 Management Agent: The John Stewart Company

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 93
 No. / % of Low Income Units: 92 100.00%
 Average Targeted Affordability: 41.53%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HOME / HUD Section 8 Project-based Vouchers
 (24 Units - 26%)

Information

Housing Type: Large Family
 Geographic Area: East Bay Region
 State Ceiling Pool: New Construction
 Set Aside: N/A
 Homeless Set Aside Units: 30
 CDLAC Project Analyst: Sarah Lester
 CTCAC Project Analyst: Jacob Couch

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	36	39%
50% AMI:	32	35%
60% AMI:	24	26%

Unit Mix

24 SRO/Studio Units
 21 1-Bedroom Units
 24 2-Bedroom Units
 24 3-Bedroom Units

 93 Total Units

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
16 SRO/Studio	20%	\$545
8 SRO/Studio	20%	\$545
5 1 Bedroom	20%	\$584
1 1 Bedroom	20%	\$584
7 1 Bedroom	50%	\$1,460
8 1 Bedroom	60%	\$1,752
2 2 Bedrooms	30%	\$1,051
1 2 Bedrooms	30%	\$1,051
9 2 Bedrooms	50%	\$1,752
11 2 Bedrooms	60%	\$2,103
1 3 Bedrooms	30%	\$1,214
2 3 Bedrooms	30%	\$1,214
16 3 Bedrooms	50%	\$2,024
5 3 Bedrooms	60%	\$2,429
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$9,306,567
Construction Costs	\$52,098,375
Construction Hard Cost Contingency	\$3,880,142
Soft Cost Contingency	\$589,140
Architectural/Engineering	\$2,854,254
Const. Interest, Perm. Financing	\$9,824,643
Legal Fees	\$138,190
Reserves	\$1,395,151
Other Costs	\$5,035,933
Developer Fee	\$3,500,000
Commercial Costs	\$1,808,872
Total	\$90,431,267

Residential

Construction Cost Per Square Foot:	\$825
Per Unit Cost:	\$950,011
Estimated Hard Per Unit Cost:	\$508,032
True Cash Per Unit Cost*:	\$936,356
Bond Allocation Per Unit:	\$504,098
Bond Allocation Per Restricted Rental Unit:	\$509,577

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Chase Bank: Tax-Exempt	\$46,881,118	Chase Bank: Tax-Exempt	\$1,209,000
Chase Bank: Taxable	\$14,584,359	County of Contra Costa: HOME	\$6,833,819
County of Contra Costa: HOME	\$6,833,819	HCD: NPLH	\$9,414,110
City of Walnut Creek	\$10,500,000	HCD: AHSC	\$20,904,291
HCD: AHSC	\$3,889,406	Sponsor Loan: AHSC	\$3,889,406
General Partner Equity	\$100	City of Walnut Creek	\$10,500,000
Tax Credit Equity	\$3,659,814	Deferred Developer Fee	\$1,299,900
		General Partner Equity	\$100
		Tax Credit Equity	\$36,380,641
		TOTAL	\$90,431,267

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$74,706,577
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$97,118,550
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,884,742
Approved Developer Fee in Project Cost:	\$3,500,000
Approved Developer Fee in Eligible Basis:	\$3,228,669
Federal Tax Credit Factor:	\$0.93650

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

Staff noted a per-unit cost of \$936,356. The applicant noted that the per unit cost is attributed to high land costs and interest rates, prevailing wage and reserve requirements, inclusion of solar energy, and required utilities, environmental mitigation, and off-site costs.

CDLAC Analyst Comments: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

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).

Point Criteria	New Const. Max. Points	Rehabilitation Max. Points	Points Scored
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	10
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	120

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: 89.304%