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

Brandon Place Apartments, located at 3941 Polk Street in Riverside on a 6.31 acre site, requested and is being recommended for a reservation of $2,078,124 in annual federal tax credits and $28,000,000 of tax-exempt bond cap to finance the acquisition & rehabilitation of 197 units of housing, consisting of 195 restricted rental units and 2 unrestricted managers' units. The project has 148 one-bedroom units, and 49 two-bedroom units, serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in January 2025 and be completed in January 2026. The project will be developed by Spira BP Development, LP and is located in Senate District 31 and Assembly District 58.

Brandon Place Apartments is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Brandon Place Apartments (CA-96-905). See Resyndication and Resyndication Transfer Event below for additional information. The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years.

Project Number CA-24-666

Project Name Brandon Place Apartments
Site Address: 3941 Polk Street
Riverside, CA 92505
County: Riverside
Census Tract: 414.07

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$2,078,124	$0
Recommended:	$2,078,124	$0

Tax-Exempt Bond Allocation
Recommended: $28,000,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Brandon Place, LP
Contact: Robert Lee
Address: 1015 Fillmore Street, PMB 31735
San Francisco, CA 94115
Phone: 604-716-6225
Email: robert@spiraequitypartners.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: CSCDA
Bond Counsel: Carle Mackie Power & Ross LLP
Private Placement Purchaser: Newmark

Development Team

General Partners or Principal Owners: Spira Brandon Place, LP
FFAH II BP Senior Apartments, LLC
General Partner Type: Joint Venture
Parent Companies: Spira Brandon Place, LLC
Foundation for Affordable Housing II, Inc.
Developer: Spira BP Development, LP
Investor/Consultant: NEF Assignment Corporation
Management Agent: Aperto Property Management, Inc.

Project Information

Construction Type: Acquisition & Rehabilitation
Total # Residential Buildings: 15
Total # of Units: 197
No. / % of Low Income Units: 195 100.00%
Average Targeted Affordability: 55.89%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax-Exempt

Information

Housing Type: At-Risk
Geographic Area: Inland Empire Region
State Ceiling Pool: Preservation
Set Aside: N/A
CDLAC Project Analyst: Brandon Medina
CTCAC Project Analyst: Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	of Affordable Units
30% AMI:	20	10%
50% AMI:	20	10%
60% AMI:	155	79%

Unit Mix

148	1-Bedroom Units
49	2-Bedroom Units
197	Total Units

Unit Type & Number		2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
15	1 Bedroom	30%	$576
15	1 Bedroom	50%	$960
117	1 Bedroom	60%	$1,153
4	2 Bedrooms	30%	$691
4	2 Bedrooms	50%	$1,152
32	2 Bedrooms	60%	$1,383
1	2 Bedrooms	30%	$691
1	2 Bedrooms	50%	$1,152
6	2 Bedrooms	60%	$1,383
1	2 Bedrooms	Manager's Unit	$0
1	1 Bedroom	Manager's Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$37,150,000
New Construction Costs	$0
Rehabilitation Costs	$8,144,625
Construction Hard Cost Contingency	$798,862
Soft Cost Contingency	$94,386
Relocation	$19,700
Architectural/Engineering	$225,000
Const. Interest, Perm. Financing	$2,194,953
Legal Fees	$120,500
Reserves	$613,385
Other Costs	$467,920
Developer Fee	$3,316,307
Commercial Costs	$0
Total	**$53,145,638**

Residential	
Construction Cost Per Square Foot:	$60
Per Unit Cost:	$269,775
Estimated Hard Per Unit Cost:	$35,600
True Cash Per Unit Cost*:	$252,941
Bond Allocation Per Unit:	$142,132
Bond Allocation Per Restricted Rental Unit:	$143,590

Construction Financing

Source	Amount
Newmark: Tax-Exempt	$28,000,000
Newmark: Recycled Tax-Exempt	$5,000,000
Net Operating Income	$1,603,138
General Partner Note	$10,225,993
Deferred Developer Fee	$3,316,307
General Partner Equity	$100
Tax Credit Equity	$5,000,100

Permanent Financing

Source	Amount
Newmark: Tax-Exempt	$24,250,000
Net Operating Income	$1,603,138
General Partner Note	$5,272,877
Deferred Developer Fee	$3,316,307
General Partner Equity	$100
Tax Credit Equity	$18,703,216
TOTAL	**$53,145,638**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$12,291,682
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$35,973,932
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$15,979,187
Qualified Basis (Acquisition):	$35,973,932
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$639,167
Maximum Annual Federal Credit, Acquisition:	$1,438,957
Total Maximum Annual Federal Credit:	$2,078,124
Approved Developer Fee (in Project Cost & Eligible Basis):	$3,316,307
Federal Tax Credit Factor:	$0.90000

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
The proposed rent does not include a utility allowance. The owner will pay for all utilities.

CDLAC Analyst Comments: None.

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-96-905). 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-96-905) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

The project is a re-syndication occurring concurrently with a Transfer Event. The existing tax credit regulatory agreement has a remaining term of five (5) or less years, and thus the project is waived from setting aside a Short Term Work Capitalized Replacement Reserve that is otherwise required.

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

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 Scored**
Preservation and Other Rehabilitation Project Priorities	0	20	20
New Construction Density and Local Incentives	10	0	0
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	0
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	0
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	110

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

Tie Breaker: 199.302%