

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

Larkin Pine Senior Housing, located at 1303 Larkin Street in San Francisco on a 0.71 acre site, requested and is being recommended for a reservation of \$1,282,006 in annual federal tax credits and \$13,987,000 of tax-exempt bond cap to finance the acquisition & rehabilitation of 63 units of housing, consisting of 62 restricted rental units and 1 unrestricted manager's unit. The project has 45 studio units, 18 one-bedroom units, serving tenants with rents affordable to households earning 40% of area median income (AMI). The construction is expected to begin in June 2025 and be completed in June 2026. The project will be developed by Chinatown Community Development Center, Inc. and is located in Senate District 11 and Assembly District 17.

Larkin Pine Senior Housing is a re-syndication of an existing Low Income Housing Tax Credit (LIHTC) project, Larkin Pine Senior Housing (CA-92-140). See Resyndication and Resyndication Transfer Event below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers and HUD Rental Assistance Demonstration (RAD). The project financing includes state funding from the Loan Program Restructuring (LPR) - Rental Housing Construction Program (RHCP) program of HCD.

Project Number CA-24-737

Project Name Larkin Pine Senior Housing
Site Address: 1303 Larkin Street
San Francisco, CA 94109
County: San Francisco
Census Tract: 111.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,282,006	\$0
Recommended:	\$1,282,006	\$0

Tax-Exempt Bond Allocation
Recommended: \$13,987,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Chinatown Community Development Center, Inc.
Contact: Sharon Christen
Address: 615 Grant Avenue
Phone: 415-875-7468
Email: sharon.christen@chinatowncdc.org

Bond Financing Information
CDLAC Applicant/Bond Issuer: City and County of San Francisco
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Chase Bank

Development Team

General Partner(s) or Principal Owner(s): Chinatown Community Development Center, Inc.
General Partner Type: Nonprofit
Parent Company(ies): Chinatown Community Development Center, Inc.
Developer: Chinatown Community Development Center, Inc.
Investor/Consultant: California Housing Partnership Corporation
Management Agent: Chinatown Community Development Center, Inc.

Project Information

Construction Type: Acquisition & Rehabilitation
Total # Residential Buildings: 1
Total # of Units: 63
No. / % of Low Income Units: 62 100.00%
Average Targeted Affordability: 32.63%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: Tax-Exempt / HUD RAD (29 Units - 46%) / HUD Section 8 Project-based Vouchers (15 Units - 24%)

Information

Housing Type: Non-Targeted
Geographic Area: San Francisco County
State Ceiling Pool: Other Rehabilitation
Set Aside: N/A
CDLAC Project Analyst: Jake Salle
CTCAC Project Analyst: Cynthia Compton

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
40% AMI:	62	100%

Unit Mix

45 SRO/Studio Units
18 1-Bedroom Units
63 Total Units

<u>Unit Type & Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
15 SRO/Studio	40%	\$1,371
14 1 Bedroom	40%	\$1,469
12 SRO/Studio	40%	\$1,371
3 1 Bedroom	40%	\$1,469
18 SRO/Studio	40%	\$500
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$9,263,139
Construction Costs	\$0
Rehabilitation Costs	\$12,381,146
Construction Hard Cost Contingency	\$1,839,631
Soft Cost Contingency	\$427,227
Relocation	\$2,112,031
Architectural/Engineering	\$678,733
Const. Interest, Perm. Financing	\$3,262,773
Legal Fees	\$271,971
Reserves	\$704,000
Other Costs	\$483,239
Developer Fee	\$3,048,393
Commercial Costs	\$0
Total	\$34,472,284

Residential

Construction Cost Per Square Foot:	\$397
Per Unit Cost:	\$547,179
Estimated Hard Per Unit Cost:	\$163,875
True Cash Per Unit Cost*:	\$530,538
Bond Allocation Per Unit:	\$222,016
Bond Allocation Per Restricted Rental Unit:	\$225,597

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Chase: Tax-Exempt	\$13,987,000	HCD LPR RHCP	\$3,473,704
Chase: Taxable	\$1,951,547	SF MOHCD ¹ PASS ²	\$6,500,452
HCD LPR RHCP	\$3,473,704	SF MOHCD ¹ PASS ²	\$3,596,412
SF MOHCD ¹ PASS ²	\$3,596,412	SF MOHCD ¹ PASS ²	\$584,497
SF MOHCD ¹ PASS ²	\$584,497	SF MOHCD ¹ ENP ³	\$1,500,000
SF MOHCD ¹ ENP ³	\$2,494,853	SF MOHCD ¹ ENP ³	\$994,853
SF MOHCD ¹ : Acquisition	\$4,061,151	SF MOHCD ¹ : Acquisition	\$4,061,151
Acquired Reserves	\$51,818	Acquired Reserves	\$51,818
Deferred Accrued Interest	\$430,550	Deferred Accrued Interest	\$430,550
Deferred Costs	\$1,752,689	Deferred Developer Fee	\$1,048,393
Deferred Developer Fee	\$1,048,393	Tax Credit Equity	\$12,230,455
Tax Credit Equity	\$1,039,670	TOTAL	\$34,472,284

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

¹San Francisco Mayor's Office of Housing and Community Development

²Preservation and Seismic Safety Program

³Existing Nonprofit Owned Rental Housing

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$22,212,108
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$3,174,392
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$28,875,741
Qualified Basis (Acquisition):	\$3,174,392
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,155,030
Maximum Annual Federal Credit, Acquisition:	\$126,976
Total Maximum Annual Federal Credit:	\$1,282,006
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,048,393
Federal Tax Credit Factor:	\$0.95401

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

This SRO project requested and was granted a waiver to the in-unit refrigerator requirement because the project includes an existing common area kitchen facility for tenants, which will be updated as part of the rehabilitation.

The reservation of tax credits is contingent upon verification of the HUD RAD rental subsidy annual amount, number of units receiving assistance, term, and expiration date by the bond issuance deadline.

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-92-140. 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-92-140) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on CTCAC staff's review of the commitment in the application. The services documented in the placed in service package will be reviewed by CTCAC staff for compliance with this requirement at the time of the placed in service submission.

This project is a resyndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from the requirements under CTCAC Regulation Section 10320(b)(4)(B).

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).

Point Criteria	New Const. Max. Points	Rehabilitation Max. Points	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 agreements.

Tie Breaker: 277.273%