

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

Wakeland Riverwalk, located at 6364 Village Drive in San Diego on a 1.69 acre site, requested and is being recommended for a reservation of \$6,875,755 in annual federal tax credits and \$10,725,542 in total state tax credits and \$70,150,547 of tax-exempt bond cap to finance the new construction of 190 units of housing, consisting of 188 restricted rental units and 2 unrestricted manager's units. The project will have 46 one-bedroom units, 89 two-bedroom units, and 55 three-bedroom units, serving families with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in June 2025 and be completed in August 2027. The project will be developed by Wakeland Housing and Development Corporation and will be located in Senate District 39 and Assembly District 78.

The project financing includes state funding from the Affordable Housing and Sustainable Communities (AHSC) program of HCD.

Project Number CA-24-667

Project Name Wakeland Riverwalk
 Site Address: 6364 Village Drive
 San Diego, CA 92108
 County: San Diego
 Census Tract: 89.02

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$6,875,755	\$10,725,542
Recommended:	\$6,875,755	\$10,725,542

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

Tax-Exempt Bond Allocation
 Recommended: \$70,150,547

CTCAC Applicant Information
 CTCAC Applicant/CDLAC Sponsor: Wakeland Housing and Development Corporation
 Applicant for State Credits: Wakeland Housing and Development Corporation
 Contact: Lisa Huff
 Address: 1230 Columbia Street, #950
 San Diego, 92101
 Phone: 858-699-2044
 Email: lhuff@wakelandhdc.com

Bond Financing Information
 CDLAC Applicant/Bond Issuer: CalHFA
 Bond Counsel: Orrick, Herrington & Sutcliffe LLP
 Private Placement Purchaser: Banner Bank

Development Team

General Partner(s) or Principal Owner(s):	Wakeland Riverwalk Family LLC SDR Affordable 1 LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Wakeland Housing and Development Corporation SD Riverwalk LLC
Developer:	Wakeland Housing and Development Corporation
Investor/Consultant:	California Housing Partnership
Management Agent:	ConAm Management Corporation

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	3	
Total # of Units:	190	
No. / % of Low Income Units:	188	100.00%
Average Targeted Affordability:	49.95%	
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt	

Information

Housing Type:	Large Family
Geographic Area:	San Diego County
State Ceiling Pool:	New Construction
Set Aside:	Extremely Low/Very Low Income Set Aside
CDLAC Project Analyst:	Sarah Lester
CTCAC Project Analyst:	Jacob Paixao

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	48	26%
50% AMI:	45	24%
60% AMI:	95	51%

Unit Mix

46 1-Bedroom Units
89 2-Bedroom Units
55 3-Bedroom Units
<hr/> 190 Total Units

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
12 1 Bedroom	30%	\$852
7 1 Bedroom	50%	\$1,420
27 1 Bedroom	60%	\$1,704
22 2 Bedrooms	30%	\$1,023
14 2 Bedrooms	50%	\$1,705
51 2 Bedrooms	60%	\$2,046
14 3 Bedrooms	30%	\$1,182
24 3 Bedrooms	50%	\$1,970
17 3 Bedrooms	60%	\$2,364
2 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$578,168
Construction Costs	\$94,017,771
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$4,720,725
Soft Cost Contingency	\$472,692
Relocation	\$0
Architectural/Engineering	\$2,785,615
Const. Interest, Perm. Financing	\$18,177,787
Legal Fees	\$155,000
Reserves	\$792,876
Other Costs	\$5,885,687
Developer Fee	\$17,246,876
Commercial Costs	\$0
Total	\$144,833,197

Residential

Construction Cost Per Square Foot:	\$524
Per Unit Cost:	\$762,280
Estimated Hard Per Unit Cost:	\$434,627
True Cash Per Unit Cost*:	\$683,086
Bond Allocation Per Unit:	\$369,213
Bond Allocation Per Restricted Rental Unit:	\$373,141

Construction Financing

Source	Amount
Banner Bank: Tax-Exempt	\$70,150,547
Banner Bank: Taxable	\$41,760,301
Banner Bank: Recycled Tax-Exempt	\$1,000,000
HCD: AHSC HRI ¹	\$3,500,000
General Partner Loan	\$4,000,000
Deferred Costs	\$2,250,877
Deferred Developer Fee	\$15,046,876
Tax Credit Equity	\$7,124,596

Permanent Financing

Source	Amount
Banner Bank: Tax-Exempt	\$22,968,000
HCD: AHSC HRI ¹	\$3,500,000
HCD: AHSC AHD ²	\$26,445,162
General Partner Loan	\$4,000,000
Deferred Developer Fee	\$15,046,876
Tax Credit Equity	\$72,873,159
TOTAL	\$144,833,197

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

¹Housing Related Infrastructure

² Affordable Housing Development

Determination of Credit Amount(s)

Requested Eligible Basis:	\$132,226,050
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$171,893,865
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$6,875,755
Total State Credit:	\$10,725,542
Approved Developer Fee (in Project Cost & Eligible Basis):	\$17,246,876
Federal Tax Credit Factor:	\$0.92761
State Tax Credit Factor:	\$0.84781

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 high cost of \$683,086 per unit. The applicant noted the per unit cost is due to Southern California's increased construction costs, a large parking structure, remedial grading and temporary shoring, and prevailing wages. Additionally, the applicant noted increased costs specific to the size of the project which requires a large photovoltaic system and the use of cranes and manlifts.

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).

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: 103.268%