

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

Alvarado Creek Apartments, located at 5901-5913, 5915 & 5927 Mission Gorge Road in San Diego on a 3.84 acre site, requested and is being recommended for a reservation of \$7,346,018 in annual federal tax credits and \$88,000,000 of tax-exempt bond cap to finance the new construction of 227 units of housing, consisting of 225 restricted rental units and 2 unrestricted manager's units. The project will have 54 studio units, 54 one-bedroom units, 59 two-bedroom units, and 60 three-bedroom units, serving families with rents affordable to households earning 30%-70% of area median income (AMI). The construction is expected to begin in June 2025 and be completed in June 2027. The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 39 and Assembly District 78.

The project financing includes state funding from the Infill Infrastructure Grant (IIG) program of HCD.

**Project Number** CA-24-706

**Project Name** Alvarado Creek Apartments  
Site Address: 5901-5913, 5915 & 5927 Mission Gorge Road  
San Diego, CA 92120  
County: San Diego  
Census Tract: 96.04

| <b>Tax Credit Amounts</b> | <b>Federal/Annual</b> | <b>State/Total</b> |
|---------------------------|-----------------------|--------------------|
| Requested:                | \$7,346,018           | \$0                |
| Recommended:              | \$7,346,018           | \$0                |

**Tax-Exempt Bond Allocation**  
Recommended: \$88,000,000

**CTCAC Applicant Information**  
CTCAC Applicant/CDLAC Sponsor: San Diego Pacific Associates, a California Limited Partnership  
Contact: Caleb Roope  
Address: 430 East State Street, Suite 100  
Eagle, ID 83616  
Phone: 208.461.0022  
Email: calebr@tpchousing.com

**Bond Financing Information**  
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority (CMFA)  
Bond Counsel: Orrick, Herrington & Sutcliffe LLP  
Private Placement Purchaser: Citi Community Capital

**Development Team**

General Partner(s) or Principal Owner(s): Central Valley Coalition for Affordable Housing  
 TPC Holdings IX, LLC

General Partner Type: Joint Venture

Parent Company(ies): Central Valley Coalition for Affordable Housing  
 The Pacific Companies

Investor/Consultant: Boston Financial

Management Agent: ConAm Management Corporation

**Project Information**

Construction Type: New Construction

Total # Residential Buildings: 1

Total # of Units: 227

No. / % of Low Income Units: 225 100.00%

Average Targeted Affordability: 59.94%

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

Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Large Family

Geographic Area: San Diego County

State Ceiling Pool: New Construction

Set Aside: N/A

CDLAC Project Analyst: Erin Deblaquiere

CTCAC Project Analyst: Nick White

**55-Year Use / Affordability**

| <b>Aggregate Targeting</b> | <b>Number of Units</b> | <b>Percentage of Affordable Units</b> |
|----------------------------|------------------------|---------------------------------------|
| 30% AMI:                   | 40                     | 18%                                   |
| 50% AMI:                   | 29                     | 13%                                   |
| 60% AMI:                   | 8                      | 4%                                    |
| 70% AMI*:                  | 148                    | 66%                                   |

\*CTCAC restricted only

**Unit Mix**

54 SRO/Studio Units

54 1-Bedroom Units

59 2-Bedroom Units

60 3-Bedroom Units

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227 Total Units

| <u>Unit Type<br/>&amp; Number</u> | <u>2024 Rents Targeted %<br/>of Area Median Income</u> | <u>Proposed Rent<br/>(including utilities)</u> |
|-----------------------------------|--------------------------------------------------------|------------------------------------------------|
| 30 SRO/Studio                     | 30%                                                    | \$795                                          |
| 20 SRO/Studio                     | 50%                                                    | \$1,326                                        |
| 2 SRO/Studio                      | 60%                                                    | \$1,591                                        |
| 2 SRO/Studio                      | 70%                                                    | \$1,833                                        |
| 6 1 Bedroom                       | 30%                                                    | \$852                                          |
| 5 1 Bedroom                       | 50%                                                    | \$1,420                                        |
| 2 1 Bedroom                       | 60%                                                    | \$1,704                                        |
| 41 1 Bedroom                      | 70%                                                    | \$1,988                                        |
| 2 2 Bedrooms                      | 30%                                                    | \$1,023                                        |
| 2 2 Bedrooms                      | 50%                                                    | \$1,705                                        |
| 2 2 Bedrooms                      | 60%                                                    | \$2,046                                        |
| 53 2 Bedrooms                     | 70%                                                    | \$2,387                                        |
| 2 3 Bedrooms                      | 30%                                                    | \$1,182                                        |
| 2 3 Bedrooms                      | 50%                                                    | \$1,970                                        |
| 2 3 Bedrooms                      | 60%                                                    | \$2,364                                        |
| 52 3 Bedrooms                     | 70%                                                    | \$2,758                                        |
| 2 3 Bedrooms                      | Manager's Unit                                         | \$0                                            |

#### **Project Cost Summary at Application**

|                                    |                      |
|------------------------------------|----------------------|
| Land and Acquisition               | \$21,271,714         |
| Construction Costs                 | \$91,611,554         |
| Rehabilitation Costs               | \$0                  |
| Construction Hard Cost Contingency | \$6,525,000          |
| Soft Cost Contingency              | \$980,000            |
| Relocation                         | \$0                  |
| Architectural/Engineering          | \$1,490,000          |
| Const. Interest, Perm. Financing   | \$14,251,600         |
| Legal Fees                         | \$225,000            |
| Reserves                           | \$1,566,004          |
| Other Costs                        | \$7,232,147          |
| Developer Fee                      | \$18,000,000         |
| Commercial Costs                   | \$0                  |
| <b>Total</b>                       | <b>\$163,153,019</b> |

## Residential

|                                             |             |
|---------------------------------------------|-------------|
| Construction Cost Per Square Foot:          | \$398       |
| Per Unit Cost:                              | \$718,736   |
| Estimated Hard Per Unit Cost:               | \$347,964   |
| True Cash Per Unit Cost*:                   | \$668,747   |
| Bond Allocation Per Unit:                   | \$387,665   |
| Bond Allocation Per Restricted Rental Unit: | \$1,142,857 |

| Construction Financing           |              | Permanent Financing              |                      |
|----------------------------------|--------------|----------------------------------|----------------------|
| Source                           | Amount       | Source                           | Amount               |
| Citibank: Tax-Exempt             | \$88,000,000 | Citibank: Tax-Exempt             | \$45,500,000         |
| Citibank: Taxable                | \$6,294,339  | Bonneville: Recycled Tax- Exempt | \$35,000,000         |
| Bonneville: Recycled Tax- Exempt | \$35,000,000 | HCD: IIG                         | \$8,300,000          |
| HCD: IIG                         | \$7,470,000  | Fee Waiver                       | \$652,638            |
| Deferred Costs                   | \$1,566,004  | Deferred Developer Fee           | \$12,000,000         |
| Fee Waiver                       | \$652,638    | Tax Credit Equity                | \$61,700,381         |
| Deferred Developer Fee           | \$18,000,000 | <b>TOTAL</b>                     | <b>\$163,153,019</b> |
| Tax Credit Equity                | \$6,170,038  |                                  |                      |

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

### Determination of Credit Amount(s)

|                                                            |               |
|------------------------------------------------------------|---------------|
| Requested Eligible Basis:                                  | \$141,269,577 |
| 130% High Cost Adjustment:                                 | Yes           |
| Applicable Fraction:                                       | 100.00%       |
| Qualified Basis:                                           | \$183,650,450 |
| Applicable Rate:                                           | 4.00%         |
| Total Maximum Annual Federal Credit:                       | \$7,346,018   |
| Approved Developer Fee (in Project Cost & Eligible Basis): | \$18,000,000  |
| Federal Tax Credit Factor:                                 | \$0.83992     |

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

Development costs are roughly \$668,747 per unit. The factors affecting this cost includes the high cost of building in the area, podium parking structure, extensive offsite improvements, a requirement to pay state prevailing wages, and high land cost.

The current legal description is part of a larger site and the project site's parcel (legal description and APN) have not yet been finalized. The legal description and APN for CA-24-706 must be completed as part of the placed in service package.

This Project's annual per unit operating expense total is below the CTCAC published per unit operating minimums of \$5,700. As allowed by CTCAC Regulation Section 10327(g)(1), CTCAC approves an annual per unit operating expense total of \$4,868 on agreement of the permanent lender and equity investor.

**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                                 | 10                   |
| 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                               | 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:** 93.110%