

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

Sakura, located at 2000 16th Street in Sacramento on a 0.75 acre site, requested and is being recommended for a reservation of \$2,022,553 in annual federal tax credits and \$30,164,000 of tax-exempt bond cap to finance the new construction of 134 units of housing, consisting of 133 restricted rental units and 1 unrestricted manager's unit. The project will have 68 studio units, 65 one-bedroom units, and 1 two-bedroom unit, serving tenants 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 June 2027. The project will be developed by Mutual Housing California and will be located in Senate District 8 and Assembly District 6.

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

**Project Number** CA-24-727

**Project Name** Sakura  
 Site Address: 2000 16th Street  
 Sacramento, CA 95818  
 County: Sacramento  
 Census Tract: 20.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$2,022,553	\$0
Recommended:	\$2,022,553	\$0

**Tax-Exempt Bond Allocation**  
 Recommended: \$30,164,000

**CTCAC Applicant Information**  
 CTCAC Applicant/CDLAC Sponsor: 2000 16th St Associates, LP  
 Contact: Parker Evans  
 Address: 3321 Power Inn Road, Suite 320  
 Sacramento, CA 95826  
 Phone: (916) 749-8045  
 Email: parker@mutualhousing.com

**Bond Financing Information**  
 CDLAC Applicant/Bond Issuer: CA Public Finance Authority  
 Bond Counsel: Orrick, Herrington & Sutcliffe LLP  
 Private Placement Purchaser: Banner Bank

**Development Team**  
 General Partner(s) or Principal Owner(s): 2000 16th St Mutual Housing Association, LLC  
 2000 16th St CACDC Association, LLC  
 General Partner Type: Nonprofit  
 Parent Company(ies): Mutual Housing California  
 Capitol Area Community Development Corporation  
 Developer: Mutual Housing California  
 Investor/Consultant: California Housing Partnership  
 Management Agent: Mutual Housing Management

**Project Information**

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	134
No. / % of Low Income Units:	133      100.00%
Average Targeted Affordability:	50.01%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt

**Information**

Housing Type:	Non-Targeted
Geographic Area:	Capital Region
State Ceiling Pool:	New Construction
Set Aside:	Northern Region
CDLAC Project Analyst:	Anthony Wey
CTCAC Project Analyst:	Jacob Paixao

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	34	26%
50% AMI:	31	23%
60% AMI:	68	51%

**Unit Mix**

68 SRO/Studio Units
65 1-Bedroom Units
1 2-Bedroom Units
<u>134 Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
19 SRO/Studio	30%	\$619
15 SRO/Studio	50%	\$1,032
34 SRO/Studio	60%	\$1,239
15 1 Bedroom	30%	\$663
16 1 Bedroom	50%	\$1,105
34 1 Bedroom	60%	\$1,326
1 2 Bedrooms	Manager's Unit	\$0

### Project Cost Summary at Application

Land and Acquisition	\$4,934,241
Construction Costs	\$32,615,849
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,722,112
Soft Cost Contingency	\$443,119
Relocation	\$0
Architectural/Engineering	\$1,450,130
Const. Interest, Perm. Financing	\$6,504,089
Legal Fees	\$93,547
Reserves	\$359,535
Other Costs	\$2,523,899
Developer Fee	\$6,693,267
Commercial Costs	\$746,550
<b>Total</b>	<b>\$58,086,338</b>

### Residential

Construction Cost Per Square Foot:	\$363
Per Unit Cost:	\$427,145
Estimated Hard Per Unit Cost:	\$218,680
True Cash Per Unit Cost*:	\$372,189
Bond Allocation Per Unit:	\$225,104
Bond Allocation Per Restricted Rental Unit:	\$226,797

#### Construction Financing

Source	Amount
Banner Bank: Tax-Exempt	\$30,164,000
Banner Bank: Taxable	\$12,549,813
CADA <sup>1</sup> : Gap Loan	\$4,000,000
CADA <sup>1</sup> : Seller Carryback	\$3,280,000
Deferred Costs	\$2,213,918
Deferred Developer Fee	\$4,193,267
Tax Credit Equity	\$1,685,340

#### Permanent Financing

Source	Amount
Banner Bank: Tax-Exempt	\$2,557,000
CADA <sup>1</sup> : Gap Loan	\$4,000,000
CADA <sup>1</sup> : Seller Carryback	\$3,280,000
HCD: AHSC	\$25,300,000
Sponsor Loan	\$507,678
Deferred Developer Fee	\$4,193,267
Tax Credit Equity	\$18,248,393
<b>TOTAL</b>	<b>\$58,086,338</b>

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

<sup>1</sup>Capital Area Development Authority

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$50,563,828
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$50,563,828
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,022,553
Approved Developer Fee in Project Cost:	\$6,693,267
Approved Developer Fee in Eligible Basis:	\$6,590,915
Approved Developer Fee (in Project Cost & Eligible Basis):	
Federal Tax Credit Factor:	\$0.90225

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:** None.

**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	9
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	119

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:** 108.414%