

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report Tax-Exempt Bond Project August 11, 2021

Sendero, located at 49th Street and Castana Street in San Diego, requested and is being recommended for a reservation of \$2,044,749 in annual federal tax credits and \$3,796,631 in total state tax credits to finance the new construction of 109 units of housing serving large families with rents affordable to households earning 50% of area median income (AMI). The project will be developed by MAAC, Inc and will be located in Senate District 40 and Assembly District 79.

Project Number CA-21-579

Project Name Sendero
Site Address: 49th Street and Castana Street
San Diego CA, 92113 County: San Diego
Census Tract: 33.04

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,044,749	\$3,796,631
Recommended:	\$2,044,749	\$3,796,631

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

Applicant Information

Applicant: MAAC Sendero LP
Contact: Kursat Misirlioglu
Address: 1355 Third Avenue
Chula Vista CA, 91911
Phone: 619-599-3852
Email: kursatm@mirkainvest.com

General Partner(s) or Principal Owner(s):	MAAC Sendero MGP LLC MirKa Investments LLC
General Partner Type:	Joint Venture
Parent Company(ies):	MAAC, Inc. MirKa Investments LLC
Developer:	MAAC, Inc
Bond Issuer:	CalHFA
Investor/Consultant:	Hunt Capital Partners, LLC
Management Agent:	MAAC Inc

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	2
Total # of Units:	110
No. / % of Low Income Units:	109 100.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt

Information

Housing Type:	Large Family
Geographic Area:	San Diego County
TCAC Project Analyst:	Sopida Steinwert

55-Year Use / Affordability

Aggregate Targeting Number of Units	Percentage of Affordable Units
50% AMI: 109	100%

Unit Mix

10 1-Bedroom Units
60 2-Bedroom Units
40 3-Bedroom Units
110 Total Units

Unit Type & Number	2021 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
10 1 Bedroom	50%	\$1,136
59 2 Bedrooms	50%	\$1,363
40 3 Bedrooms	50%	\$1,575
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,005,000
Construction Costs	\$26,946,800
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,347,340
Soft Cost Contingency	\$233,075
Relocation	\$0
Architectural/Engineering	\$1,295,000
Const. Interest, Perm. Financing	\$2,434,608
Legal Fees	\$300,000
Reserves	\$384,528
Other Costs	\$3,054,547
Developer Fee	\$5,128,970
Commercial Costs	\$0
Total	\$45,129,868

Residential

Construction Cost Per Square Foot:	\$232
Per Unit Cost:	\$410,272
True Cash Per Unit Cost*:	\$386,469

Construction Financing

Source	Amount
Citibank - Tax Exempt	\$22,094,272
Citibank - T. E. Recycled Bonds	\$4,544,487
Citibank - Taxable	\$7,979,559
Deferred Developer Fee	\$2,618,224
Deferred Costs	\$1,384,430
Tax Credit Equity	\$6,508,896

Permanent Financing

Source	Amount
Citibank	\$16,415,323
City of San Diego	\$4,400,000
Deferred Developer Fee	\$2,618,224
Tax Credit Equity	\$21,696,321
TOTAL	\$45,129,868

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$39,322,102
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$51,118,733
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$2,044,749
Total Maximum Annual Federal Credit:	\$2,044,749
Total State Credit:	\$3,796,631
Approved Developer Fee (in Project Cost & Eligible Basis):	\$5,128,970
Investor/Consultant:	Hunt Capital Partners, LLC
Federal Tax Credit Factor:	\$0.89491
State Tax Credit Factor:	\$0.89491

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.

Significant Information / Additional Conditions: 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.

TCAC 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 TCAC.

The applicant must pay TCAC a reservation fee calculated in accordance with regulation. Additionally, TCAC 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 TCAC 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, TCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from TCAC, 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 TCAC 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 TCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the TCAC placed in service review, TCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.