

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

Vista Lane Affordable Apartments, located at 3515 Vista Lane in San Ysidro, requested and is being recommended for a reservation of \$2,034,008 in annual federal tax credits and \$3,959,430 in total state tax credits to finance the new construction of 116 units of housing serving tenants with rents affordable to households earning 30%-80% of area median income (AMI). The project will be developed by Mirka Investments, LLC and will be located in Senate District 40 and Assembly District 80.

Project Number CA-22-583

Project Name Vista Lane Affordable Apartments
Site Address: 3515 Vista Lane
San Ysidro, CA 92173 County: San Diego
Census Tract: 100.14

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,034,008	\$3,959,430
Recommended:	\$2,034,008	\$3,959,430

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

Applicant Information

Applicant: Mirka Investments, LLC
Contact: Kursat Misirlioglu
Address: 600 B Street, Suite 300
San Diego, CA 92101
Phone: (619) 599-3852
Email: kursatm@mirkainvest.com

General Partner(s) or Principal Owner(s): Pacific Southwest Community Development Corp.
Mirka Investments, LLC

General Partner Type: Joint Venture

Parent Company(ies): Pacific Southwest Community Development Corp.
Mirka Investments, LLC

Developer: Mirka Investments, LLC

Bond Issuer: CalHFA

Investor/Consultant: Hunt Capital Partners, LLC

Management Agent: Hyder & Company

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 117
 No. / % of Low Income Units: 116 100.00%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Non-Targeted
 Geographic Area: San Diego County
 CTCAC Project Analyst: Cynthia Compton

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	13	11%
50% AMI:	13	11%
60% AMI:	68	59%
80% AMI:	22	19%

Unit Mix

16 SRO/Studio Units
28 1-Bedroom Units
50 2-Bedroom Units
23 3-Bedroom Units
117 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
3 SRO/Studio	80%	\$1,773
9 SRO/Studio	60%	\$1,366
2 SRO/Studio	50%	\$1,138
2 SRO/Studio	30%	\$683
5 1 Bedroom	80%	\$1,952
17 1 Bedroom	60%	\$1,464
3 1 Bedroom	50%	\$1,220
3 1 Bedroom	30%	\$732
10 2 Bedrooms	80%	\$2,342
29 2 Bedrooms	60%	\$1,756
5 2 Bedrooms	50%	\$1,463
5 2 Bedrooms	30%	\$878
4 3 Bedrooms	80%	\$2,707
13 3 Bedrooms	60%	\$2,030
3 3 Bedrooms	50%	\$1,691
3 3 Bedrooms	30%	\$1,015
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$4,350,000
Construction Costs	\$26,312,208
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,338,110
Soft Cost Contingency	\$212,977
Relocation	\$300,000
Architectural/Engineering	\$950,000
Const. Interest, Perm. Financing	\$2,439,443
Legal Fees	\$302,500
Reserves	\$477,101
Other Costs	\$2,926,490
Developer Fee	\$5,102,026
Commercial Costs	\$0
Total	\$44,710,855

Residential

Construction Cost Per Square Foot:	\$253
Per Unit Cost:	\$382,144
True Cash Per Unit Cost*:	\$362,811

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citibank TE-New Bonds	\$21,907,321	Citibank TE	\$19,768,882
Citibank TE-Recycled Bonds	\$4,471,086	Master Developer Note	\$1,338,110
Citibank Taxable	\$4,939,187	Deferred Developer Fee	\$2,262,026
Deferred Costs	\$2,594,500	Tax Credit Equity	\$21,341,837
Deferred Developer Fee	\$2,262,026	TOTAL	\$44,710,855
Tax Credit Equity	\$8,536,735		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$39,115,530
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$50,850,189
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,034,008
Total State Credit:	\$3,959,430
Approved Developer Fee (in Project Cost & Eligible Basis):	\$5,102,026
Investor/Consultant:	Hunt Capital Partners, LLC
Federal Tax Credit Factor:	\$0.87991
State Tax Credit Factor:	\$0.86991

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.

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.