

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

View at Blossom Hill, located at 1007 Blossom Hill in San Jose, requested and is being recommended for a reservation of \$7,211,099 in annual federal tax credits to finance the new construction of 267 units of housing serving tenants with rents affordable to households earning 30%-70% of area median income (AMI). The project will be developed by JEMCOR Development Partners, LLC and will be located in Senate District 15 and Assembly District 28.

Project Number CA-22-589

Project Name View at Blossom Hill
 Site Address: 1007 Blossom Hill
 San Jose, CA 95123 County: Santa Clara
 Census Tract: 5120.27

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$7,211,099	\$0
Recommended:	\$7,211,099	\$0

Applicant Information

Applicant: JEMCOR Development Partners, LLC
 Contact: Jonathan Emami
 Address: 1700 S. El Camino Real, Suite 400
 San Mateo, CA 94402
 Email: jemami@jemcorpartners.com

General Partner(s) or Principal Owner(s): JS V View at Blossom Hill, LLC
 PacH San Jose Holdings, LLC
 General Partner Type: For Profit
 Parent Company(ies): JEMCOR Development Partners, LLC
 Pacific Housing, Inc.
 Developer: JEMCOR Development Partners, LLC
 Bond Issuer: California Municipal Finance Authority
 Investor/Consultant: Boston Financial
 Management Agent: FPI Management

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 271
 No. / % of Low Income Units: 267 100.00%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Non-Targeted
 Geographic Area: South and West Bay Region
 CTCAC Project Analyst: Tiffani Negrete

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	27	10%
50% AMI:	27	10%
60% AMI:	108	40%
70% AMI:	105	39%

Unit Mix

80 1-Bedroom Units
176 2-Bedroom Units
15 3-Bedroom Units
271 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
8 1 Bedroom	30%	\$948
7 1 Bedroom	50%	\$1,580
32 1 Bedroom	60%	\$1,896
33 1 Bedroom	70%	\$2,212
18 2 Bedrooms	30%	\$1,137
18 2 Bedrooms	50%	\$1,896
70 2 Bedrooms	60%	\$2,275
66 2 Bedrooms	70%	\$2,654
1 3 Bedrooms	30%	\$1,314
2 3 Bedrooms	50%	\$2,190
6 3 Bedrooms	60%	\$2,628
6 3 Bedrooms	70%	\$3,066
4 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$12,050,000
Construction Costs	\$95,652,306
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$4,645,822
Soft Cost Contingency	\$922,062
Relocation	\$0
Architectural/Engineering	\$2,848,025
Const. Interest, Perm. Financing	\$14,447,863
Legal Fees	\$470,000
Reserves	\$1,473,951
Other Costs	\$8,917,508
Developer Fee	\$18,089,848
Commercial Costs	\$0
Total	\$159,517,385

Residential

Construction Cost Per Square Foot:	\$429
Per Unit Cost:	\$588,625
True Cash Per Unit Cost*:	\$522,981

Construction Financing

Source	Amount
Berkadia - Tax Exempt Bonds	\$75,000,000
Berkadia - Taxable Bonds	\$23,382,368
Berkadia - Recycled Bonds	\$15,000,000
Operating Income	\$3,085,854
Deferred Reserves	\$1,473,951
Deferred Developer Fee	\$17,939,637
Tax Credit Equity	\$23,635,575

Permanent Financing

Source	Amount
Berkadia	\$72,300,000
Operating Income	\$3,085,854
Deferred Developer Fee	\$17,789,425
Tax Credit Equity	\$66,342,106
TOTAL	\$159,517,385

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$138,688,840
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$180,295,492
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$7,211,099
Approved Developer Fee (in Project Cost & Eligible Basis):	\$18,089,848
Investor/Consultant:	Boston Financial
Federal Tax Credit Factor:	\$0.92000

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.