

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report  
Tax-Exempt Bond Project  
May 10, 2023**

Iris at San Ysidro, located at 1663 Dairy Mart Road in San Diego , requested and is being recommended for a reservation of \$2,731,994 in annual federal tax credits and \$6,998,356 in total state tax credits to finance the new construction of 99 units of housing serving families with rents affordable to households earning 25%-60% of area median income (AMI). The project will be developed by National Community Renaissance of California and will be located in Senate District 40 and Assembly District 80.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers and NPLH. The project financing includes state funding from the Infill Infrastructure Grant (IIG) program of HCD.

**Project Number** CA-23-485

**Project Name** Iris at San Ysidro  
Site Address: 1663 Dairy Mart Road  
San Diego , CA 92173  
County: San Diego  
Census Tract: 100.12

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$2,731,994	\$6,998,356
Recommended:	\$2,731,994	\$6,998,356

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

**Applicant Information**

Applicant: Iris at San Ysidro LP  
Contact: Ashley Wright  
Address: 9421 Haven Avenue  
Rancho Cucamonga, CA 91730  
Phone: 909-483-2444  
Email: awright@nationalcore.org

General Partner(s) or Principal Owner(s): NCRC ISY GP LLC  
General Partner Type: Nonprofit  
Parent Company(ies): National Community Renaissance of California  
Developer: National Community Renaissance of California  
Bond Issuer: San Diego Housing Commission  
Investor/Consultant: Hudson Housing Capital  
Management Agent: National Community Renaissance of California

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 100  
No. / % of Low Income Units: 99 100.00%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (25 Units - 25%) / NPLH (15 Units - 15%)

**Information**

Housing Type: Large Family  
 Geographic Area: San Diego County  
 CTCAC Project Analyst: Franklin Cui

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	45	45%
50% AMI:	34	34%
60% AMI:	20	20%

**Unit Mix**

42 1-Bedroom Units
32 2-Bedroom Units
26 3-Bedroom Units
<b>100 Total Units</b>

<b>Unit Type &amp; Number</b>	<b>2022 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
15 1 Bedroom	25%	\$267
5 1 Bedroom	30%	\$641
14 1 Bedroom	50%	\$1,220
8 1 Bedroom	60%	\$1,282
13 2 Bedrooms	30%	\$721
12 2 Bedrooms	50%	\$1,443
7 2 Bedrooms	60%	\$1,443
12 3 Bedrooms	30%	\$801
8 3 Bedrooms	50%	\$1,603
5 3 Bedrooms	60%	\$1,603
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$13,045,486
Construction Costs	\$36,159,974
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,227,025
Soft Cost Contingency	\$150,000
Relocation	\$0
Architectural/Engineering	\$1,495,000
Const. Interest, Perm. Financing	\$3,976,280
Legal Fees	\$345,000
Reserves	\$755,188
Other Costs	\$2,939,329
Developer Fee	\$6,800,000
Commercial Costs	\$0
<b>Total</b>	<b>\$67,893,282</b>

## Residential

Construction Cost Per Square Foot:	\$321
Per Unit Cost:	\$678,933
True Cash Per Unit Cost <sup>1</sup> :	\$674,622

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Chase	\$31,500,000	Chase	\$9,059,963
Chase Taxable	\$3,300,000	SD Housing Commission	\$2,300,000
SD Housing Commission	\$2,070,000	County of San Diego NPLH	\$3,290,265
County of San Diego NPLH	\$2,961,239	County of San Diego IHTF <sup>2</sup>	\$5,000,000
County of San Diego IHTF <sup>2</sup>	\$4,500,000	City of San Diego	\$5,000,000
City of San Diego	\$4,500,000	HCD-IIG	\$5,000,000
HCD-IIG	\$4,500,000	City Fee Waiver	\$431,100
City Fee Waiver	\$431,100	General Partner Equity	\$4,600,000
General Partner Equity	\$4,600,000	Deferred Costs	\$1,099,458
Deferred Costs	\$1,469,581	Tax Credit Equity	\$32,112,496
Tax Credit Equity	\$8,061,362	<b>TOTAL</b>	<b>\$67,893,282</b>

<sup>1</sup>Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

<sup>2</sup>Innovative Housing Trust Fund

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$52,538,355
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$68,299,862
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,731,994
Total State Credit:	\$6,998,356
Approved Developer Fee (in Project Cost & Eligible Basis):	\$6,800,000
Investor/Consultant:	Hudson Housing Capital
Federal Tax Credit Factor:	\$0.95000
State Tax Credit Factor:	\$0.88000

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

The reservation of tax credits is contingent upon verification by NPLH of the rental subsidy contract rent amounts within 180 days of the date of reservation. □

**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).