

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report  
Tax-Exempt Bond Project  
August 23, 2023**

View at Julian, located at 950-970 West Julian Street in San Jose, requested and is being recommended for a reservation of \$6,821,856 in annual federal tax credits to finance the new construction of 296 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 26.

**Project Number** CA-23-545

**Project Name** View at Julian  
Site Address: 950-970 West Julian Street  
San Jose, CA 95126  
County: Santa Clara  
Census Tract: 5006.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$6,821,856	\$0
Recommended:	\$6,821,856	\$0

**Applicant Information**

Applicant: JEMCOR Development Partners, LLC  
Contact: Jonathan Emami  
Address: 1700 South El Camino Real, Suite 400  
San Mateo, CA 94402  
Phone: 415-941-5832  
Email: jemami@jemcorparkers.com

General Partner(s) or Principal Owner(s): JEMCOR Development Partners, LLC  
PacH San Jose Holdings, LLC

General Partner Type: Joint Venture  
Parent Companies: JEMCOR Development Partners, LLC  
Pacific Housing, Inc.

Developer: JEMCOR Development Partners, LLC  
Bond Issuer: California Municipal Finance Authority  
Investor/Consultant: R4 Capital  
Management Agent: FPI Management

**Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 300  
No. / % of Low Income Units: 296 100.00%  
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: Ruben Barcelo

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	30	10%
50% AMI:	30	10%
60% AMI:	118	40%
70% AMI:	118	40%

**Unit Mix**

204 1-Bedroom Units
<u>96 2-Bedroom Units</u>
300 Total Units

<b>Unit Type &amp; Number</b>	<b>2022 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
20 1 Bedroom	30%	\$948
20 1 Bedroom	50%	\$1,580
82 1 Bedroom	60%	\$1,896
82 1 Bedroom	70%	\$2,212
10 2 Bedrooms	30%	\$1,137
10 2 Bedrooms	50%	\$1,896
36 2 Bedrooms	60%	\$2,275
36 2 Bedrooms	70%	\$2,654
4 2 Bedrooms	Manager Units	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$11,900,000
Construction Costs	\$89,411,413
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$4,322,099
Soft Cost Contingency	\$433,473
Relocation	\$0
Architectural/Engineering	\$2,968,025
Const. Interest, Perm. Financing	\$13,104,990
Legal Fees	\$470,000
Reserves	\$1,491,988
Other Costs	\$8,144,532
Developer Fee	\$17,113,390
Commercial Costs	\$0
<b>Total</b>	<b>\$149,359,910</b>

## Residential

Construction Cost Per Square Foot:	\$407
Per Unit Cost:	\$497,866
True Cash Per Unit Cost <sup>1</sup> :	\$442,036

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Berkadia	\$75,000,000	Berkadia	\$68,200,000
Berkadia: Recycled	\$15,000,000	Net Operating Income	\$1,925,000
Berkadia: Taxable	\$18,000,000	Deferred Contractor Fee	\$4,500,000
Net Operating Income	\$1,925,000	Deferred Developer Fee	\$16,749,134
Deferred Reserve	\$1,491,988	Tax Credit Equity	\$57,985,776
Deferred Contractor Fee	\$4,500,000	<b>TOTAL</b>	<b>\$149,359,910</b>
Deferred Developer Fee	\$17,113,390		
Tax Credit Equity	\$16,329,532		

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

### Determination of Credit Amount(s)

Requested Eligible Basis:	\$131,202,658
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$170,563,455
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$6,821,856
Approved Developer Fee (in Project Cost & Eligible Basis):	\$17,113,390
Investor/Consultant:	R4 Capital
Federal Tax Credit Factor:	\$0.85000
State Tax Credit Factor:	\$0.85000

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 current legal description is part of a larger site and the project site’s parcel (legal description and APN) have not yet been finalized. The legal description and APN for CA-23-545 must be completed as part of the placed-in-service package.

This Project's annual per unit operating expense total is below the CTCAC published per unit operating minimums of \$6,930. As allowed by CTCAC Regulation Section 10327(g)(1), CTCAC approves an annual per unit operating expense total of \$5,895 on agreement of the permanent lender and equity investor.

**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).