CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
April 8, 2025

Berryessa Family Apartments, located at 1655 Berryessa Road in San Jose on a 2.35 acre site, requested and is being recommended for a reservation of $7,126,766 in annual federal tax credits and $69,000,000 of tax-exempt bond cap to finance the new construction of 260 units of housing, consisting of 257 restricted rental units and 3 unrestricted manager's units. The project will have 93 one-bedroom units, 102 two-bedroom units, and 65 three-bedroom units, serving families with rents affordable to households earning 30%-70% of area median income (AMI). The construction is expected to begin in October 2025 and be completed in January 2028. The project will be developed by Green Valley Corporation and will be located in Senate District 15 and Assembly District 26.

Project Number	CA-25-426
Project Name	Berryessa Family Apartments
Site Address:	1655 Berryessa Road San Jose, CA 95131
County:	Santa Clara
Census Tract:	5043.11

Tax Credit Amounts	**Federal/Annual**	**State/Total**
Requested:	$7,126,766	$0
Recommended:	$7,126,766	$0

Tax-Exempt Bond Allocation

Recommended:	$69,000,000

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor:	Green Valley Corporation
Contact:	Mark Pilarczyk
Address:	777 North First Street, 5th Floor San Jose, CA 95112
Phone:	408-335-5997
Email:	mark@swenson.com

Bond Financing Information

CDLAC Applicant/Bond Issuer:	CMFA
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser:	Berkadia Commercial Mortgage LLC

Development Team

General Partners / Principal Owners:	Green Valley Corporation PacH San Jose Holdings, LLC
General Partner Type:	Joint Venture
Parent Companies:	Green Valley Corporation Pacific Housing, Inc.
Developer:	Green Valley Corporation
Investor/Consultant:	CREA
Management Agent:	FPI Management

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	260
No. / % of Low Income Units:	257 100.00%
Average Targeted Affordability:	59.88%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt

Information

Housing Type:	Large Family
Geographic Area:	Bay Area Region
State Ceiling Pool:	New Construction
CDLAC Project Analyst:	Anthony Wey
CTCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	26	10%
50% AMI:	26	10%
60% AMI:	104	40%
70% AMI*:	101	39%

*CTCAC restricted only

Unit Mix

93	1-Bedroom Units
102	2-Bedroom Units
65	3-Bedroom Units
260	Total Units

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
36 1 Bedroom	70%	$2,420
36 1 Bedroom	60%	$2,074
9 1 Bedroom	50%	$1,728
9 1 Bedroom	30%	$1,037
40 2 Bedrooms	70%	$2,903
42 2 Bedrooms	60%	$2,488
10 2 Bedrooms	50%	$2,073
10 2 Bedrooms	30%	$1,244
25 3 Bedrooms	70%	$3,354
26 3 Bedrooms	60%	$2,875
7 3 Bedrooms	50%	$2,396
7 3 Bedrooms	30%	$1,437
3 1 Bedroom	Manager Units	$0

Project Cost Summary at Application

Land and Acquisition	$15,200,000
Construction Costs	$86,394,593
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$4,252,749
Soft Cost Contingency	$575,097
Relocation	$0
Architectural/Engineering	$4,500,000
Const. Interest, Perm. Financing	$13,529,884
Legal Fees	$415,000
Reserves	$1,154,808
Other Costs	$11,391,349
Developer Fee	$17,878,311
Commercial Costs	$0
Total	**$155,291,791**

Residential

Construction Cost Per Square Foot:	$389
Per Unit Cost:	$597,276
Estimated Hard Per Unit Cost:	$285,757
True Cash Per Unit Cost*:	$539,888
Bond Allocation Per Unit:	$265,385
Bond Allocation Per Restricted Rental Unit:	$442,308

Construction Financing

Source	Amount
Berkadia: Tax-Exempt	$69,000,000
Berkadia: Recycled Tax-Exempt	$11,300,000
Berkadia: Taxable	$13,693,154
Safehold, Inc.	$33,000,000
Deferred Reserves	$1,154,808
Deferred Developer Fee	$15,028,312
Tax Credit Equity	$12,115,516

Permanent Financing

Source	Amount
Berkadia: Tax-Exempt	$44,359,000
Safehold, Inc.	$33,000,000
Net Operating Income	$2,434,279
Deferred Developer Fee	$14,920,930
Tax Credit Equity	$60,577,582
TOTAL	**$155,291,791**

*Less Donated Land, Seller Carryback Loans, Waived Fees, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	$137,067,061
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$178,187,179
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$7,126,766
Approved Developer Fee (in Project Cost & Eligible Basis):	$17,878,311
Federal 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.

CTCAC Significant Information / Additional Conditions

This Project's annual per unit operating expense total is below the CTCAC published per unit operating minimums of $6,800. As allowed by CTCAC Regulation Section 10327(g)(1), CTCAC approves an annual per unit operating expense total of $5,780 on agreement of the permanent lender and equity investor.

CDLAC Analyst Comments: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

The applicant 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).

Point Criteria	**New Const. Max. Points**	**Rehabilitation Max. Points**	**Points Scored**
Preservation and Other Rehabilitation Project Priorities	0	20	0
New Construction Density and Local Incentives	10	0	10
Exceeding Minimum Income Restrictions	20	20	20
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	10
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	120

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.

Tie Breaker: 139.806%