

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

Palmdale Family Housing, located at 38851 15th Street East in Palmdale on a 9.95 acre site, requested and is being recommended for a reservation of \$6,159,601 in annual federal tax credits and \$62,928,526 of tax-exempt bond cap to finance the new construction of 264 units of housing, consisting of 260 restricted rental units and 4 unrestricted manager's units. The project will have 66 one-bedroom units, 66 two-bedroom units, 66 three-bedroom units, and 66 four-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 February 2027. The project will be developed by Affirmed Housing Group, Inc. and will be located in Senate District 23 and Assembly District 39.

Project Number CA-25-460

Project Name Palmdale Family Housing
Site Address: 38851 15th Street East
Palmdale, CA 93350
County: Los Angeles
Census Tract: 9111.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$6,159,601	\$0
Recommended:	\$6,159,601	\$0

Tax-Exempt Bond Allocation
Recommended: \$62,928,526

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Palmdale Family Housing, L.P.
Contact: James Silverwood
Address: 13520 Evening Creek Drive North Suite 160
San Diego, CA 92128
Phone: (858) 679-2828
Email: james@affirmedhousing.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, N.A.

Development Team
General Partners / Principal Owners: CFAH Housing, LLC
AHG Palmdale, LLC
General Partner Type: Joint Venture
Parent Companies: Compass for Affordable Housing
Affirmed Housing Group, Inc.
Developer: Affirmed Housing Group, Inc.
Investor/Consultant: WNC and Associates
Management Agent: Solari Enterprises, Inc.

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	11
Total # of Units:	264
No. / % of Low Income Units:	260 100.00%
Average Targeted Affordability:	57.73%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt

Information

Housing Type:	Large Family
Geographic Area:	Balance of Los Angeles County
State Ceiling Pool:	New Construction
CDLAC Project Analyst:	Amit Sarang
CTCAC Project Analyst:	Jacob Paixao

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	56	22%
50% AMI:	31	12%
60% AMI:	33	13%
70% AMI*:	140	54%

*CTCAC restricted only

Unit Mix

66	1-Bedroom Units
66	2-Bedroom Units
66	3-Bedroom Units
66	4-Bedroom Units
264	Total Units

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
46 1 Bedroom	30%	\$780
20 1 Bedroom	50%	\$1,300
10 2 Bedrooms	30%	\$936
5 2 Bedrooms	50%	\$1,560
10 2 Bedrooms	60%	\$1,872
41 2 Bedrooms	70%	\$2,075
3 3 Bedrooms	50%	\$1,803
10 3 Bedrooms	60%	\$2,163
51 3 Bedrooms	70%	\$2,398
3 4 Bedrooms	50%	\$2,011
13 4 Bedrooms	60%	\$2,413
48 4 Bedrooms	70%	\$2,674
2 3 Bedrooms	Manager's Unit	\$0
2 4 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,410,000
Construction Costs	\$76,763,399
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$3,836,419
Soft Cost Contingency	\$1,292,329
Relocation	\$0
Architectural/Engineering	\$3,550,000
Const. Interest, Perm. Financing	\$13,590,902
Legal Fees	\$290,082
Reserves	\$1,277,000
Other Costs	\$8,380,597
Developer Fee	\$15,450,503
Commercial Costs	\$0
Total	\$125,841,231

Residential

Construction Cost Per Square Foot:	\$263
Per Unit Cost:	\$476,671
Estimated Hard Per Unit Cost:	\$260,509
True Cash Per Unit Cost*:	\$440,180
Bond Allocation Per Unit:	\$238,366
Bond Allocation Per Restricted Rental Unit:	\$524,404

Construction Financing

Source	Amount
Citibank: Tax-Exempt	\$62,928,526
Citibank: Recycled Tax-Exempt	\$19,652,786
Citibank: Taxable	\$15,626,485
Deferred Costs	\$8,020,827
Tax Credit Equity	\$19,612,607

Permanent Financing

Source	Amount
Citibank: Tax-Exempt	\$60,171,542
Deferred Developer Fee	\$9,633,669
Tax Credit Equity	\$56,036,020
TOTAL	\$125,841,231

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$118,453,860
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$153,990,018
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$6,159,601
Approved Developer Fee (in Project Cost & Eligible Basis):	\$15,450,503
Federal Tax Credit Factor:	\$0.90973

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 \$6,000. As allowed by CTCAC Regulation Section 10327(g)(1), CTCAC approves an annual per unit operating expense total of \$5,600 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	9
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	119

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: 123.273%