

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

Lupina, located at 797 South Almaden Avenue in San Jose on a 0.63 acre site, requested and is being recommended for a reservation of \$4,698,742 in annual federal tax credits and \$53,314,000 of tax-exempt bond cap to finance the new construction of 99 units of housing, consisting of 98 restricted rental units and 1 unrestricted manager's unit. The project will have 26 studio units, 28 one-bedroom units, 25 two-bedroom units, and 20 three-bedroom units, serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in September 2025 and be completed in July 2027. The project will be developed by Resources for Community Development and will be located in Senate District 15 and Assembly District 25.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the No Place Like Home (NPLH) and Affordable Housing and Sustainable Communities (AHSC) programs of HCD.

**Project Number** CA-25-492

**Project Name** Lupina  
Site Address: 797 South Almaden Avenue  
San Jose, CA 95110  
County: Santa Clara  
Census Tract: 5017.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$4,698,742	\$0
Recommended:	\$4,698,742	\$0

**Tax-Exempt Bond Allocation**  
Recommended: \$53,314,000

**CTCAC Applicant Information**  
CTCAC Applicant/CDLAC Sponsor: Almaden Affordable Housing, L.P.  
Contact: Florence Hsueh  
Address: 2220 Oxford Street  
Berkeley, CA 94704  
Phone: 510-841-4410  
Email: fhsueh@rcdhousing.org

**Bond Financing Information**  
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority  
Bond Counsel: Jones Hall, A Professional Law Corporation  
Private Placement Purchaser: JP Morgan Chase Bank, N. A.

**Development Team**

General Partner / Principal Owner:	RCD GP LLC
General Partner Type:	Nonprofit
Parent Company:	Resources for Community Development
Developer:	Resources for Community Development
Investor/Consultant:	California Housing Partnership
Management Agent:	The John Stewart Company

**Project Information**

Construction Type:	New Construction	
Total # Residential Buildings:	1	
Total # of Units:	99	
No. / % of Low Income Units:	98	100.00%
Average Targeted Affordability:	39.49%	
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (35 Units - 35%) / National Housing Trust Fund (NHTF)	

**Information**

Housing Type:	Non-Targeted
Geographic Area:	Bay Area Region
State Ceiling Pool:	New Construction
Set Aside:	Extremely Low/Very Low Income Set Aside
CDLAC Project Analyst:	Jake Salle
CTCAC Project Analyst:	Chris Saenz

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	53	54%
50% AMI:	42	43%
60% AMI:	3	3%

**Unit Mix**

26	SRO/Studio Units
28	1-Bedroom Units
25	2-Bedroom Units
20	3-Bedroom Units
99	Total Units

<u>Unit Type &amp; Number</u>	<u>2024 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
19 SRO/Studio	30%	\$545
7 SRO/Studio	50%	\$1,612
24 1 Bedroom	30%	\$1,036
4 1 Bedroom	30%	\$1,036
1 2 Bedrooms	30%	\$1,244
2 2 Bedrooms	30%	\$1,244
11 2 Bedrooms	50%	\$2,073
6 2 Bedrooms	50%	\$2,073
3 2 Bedrooms	60%	\$2,488
2 3 Bedrooms	30%	\$1,437
18 3 Bedrooms	50%	\$2,395
1 2 Bedrooms	30%	\$1,244
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$1,641,873
Construction Costs	\$66,542,576
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$5,148,056
Soft Cost Contingency	\$685,790
Relocation	\$0
Architectural/Engineering	\$3,964,366
Const. Interest, Perm. Financing	\$8,399,547
Legal Fees	\$122,161
Reserves	\$742,673
Other Costs	\$5,871,153
Developer Fee	\$2,850,000
Commercial Costs	\$2,613,055
<b>Total</b>	<b>\$98,581,250</b>

**Residential**

Construction Cost Per Square Foot:	\$880
Per Unit Cost:	\$968,722
Estimated Hard Per Unit Cost:	\$619,802
True Cash Per Unit Cost*:	\$967,248
Bond Allocation Per Unit:	\$538,525
Bond Allocation Per Restricted Rental Unit:	\$544,020

**Construction Financing**

<u>Source</u>	<u>Amount</u>
Chase: Tax-Exempt	\$53,314,000
Chase: Taxable	\$6,373,171
HCD: NHTF	\$4,807,056
Santa Clara County: NPLH	\$4,000,000
Santa Clara County: Measure A	\$20,675,795
Deferred Costs	\$2,661,417
Deferred Developer Fee	\$150,000
General Partner Equity	\$500,000
Tax Credit Equity	\$6,099,811

**Permanent Financing**

<u>Source</u>	<u>Amount</u>
Chase: Tax-Exempt	\$5,498,000
HCD: AHSC	\$20,000,000
HCD: NHTF	\$5,341,173
Santa Clara County: NPLH	\$4,000,000
Santa Clara County: Measure A	\$21,350,000
Deferred Developer Fee	\$150,000
General Partner Equity	\$500,000
Tax Credit Equity	\$41,742,077
<b>TOTAL</b>	<b>\$98,581,250</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$90,360,419
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$117,468,545
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$4,698,742
Approved Developer Fee in Project Cost:	\$2,850,000
Approved Developer Fee in Eligible Basis:	\$2,785,288
Federal Tax Credit Factor:	\$0.88837

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**

Staff noted a per unit development cost of \$967,248. The applicant noted that the per unit cost is attributed to prevailing wages, construction costs, and construction loans.

**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).

<b>Point Criteria</b>	<b>New Const. Max. Points</b>	<b>Rehabilitation Max. Points</b>	<b>Points Scored</b>
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
<b>Total Points</b>	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:** 110.956%