

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

Lido Square & Crestview, located at 2131 Crestview Lane in Pittsburg on a 11.75 acre site, requested and is being recommended for a reservation of \$5,777,439 in annual federal tax credits and \$73,920,421 of tax-exempt bond cap to finance the acquisition & rehabilitation of 173 units of housing, consisting of 171 restricted rental units and 2 unrestricted manager's units. The project has 88 two-bedroom units, and 85 three-bedroom units, serving tenants with rents affordable to households earning 30%-80% of area median income (AMI). The construction is expected to begin in October 2025 and be completed in December 2026. The project will be developed by Gung Ho - Lido Square, LP and is located in Senate District 7 and Assembly District 15.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number	CA-25-494
Project Name	Lido Square & Crestview
Site Address:	2131 Crestview Lane Pittsburg, CA 94565
County:	Contra Costa
Census Tract:	313206.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$5,777,439	\$0
Recommended:	\$5,777,439	\$0

Tax-Exempt Bond Allocation	
Recommended:	\$73,920,421

CTCAC Applicant Information	
CTCAC Applicant/CDLAC Sponsor:	Reliant - Lido Square, LP
Contact:	Mike April
Address:	601 California Street Suite 1150 San Francisco, CA 94107
Phone:	415-501-9605
Email:	mapril@reliantgroup.com

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

Development Team

General Partners / Principal Owners:	Gung Ho - Lido Square, LLC Rainbow - Lido Square, LLC
General Partner Type:	Joint Venture
Parent Company:	Gung Ho - Lido Square, LLC Rainbow - Lido Square, LLC
Developer:	Gung Ho - Lido Square, LP
Investor/Consultant:	R4 Capital
Management Agent:	Cornerstone Reliant Management

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	53
Total # of Units:	173
No. / % of Low Income Units:	171 100.00%
Average Targeted Affordability:	49.30%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Contract (162 Units - 94%)

Information

Housing Type:	At-Risk
Geographic Area:	Bay Area Region
State Ceiling Pool:	Preservation
CDLAC Project Analyst:	Sarah Lester
CTCAC Project Analyst:	Chris Saenz

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	60	35%
50% AMI:	75	44%
80% AMI*:	36	21%

*CTCAC restricted only

Unit Mix

88	2-Bedroom Units
85	3-Bedroom Units
173	Total Units

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
23 2 Bedrooms	30%	\$1,051
37 3 Bedrooms	30%	\$1,214
41 2 Bedrooms	50%	\$1,752
34 3 Bedrooms	50%	\$2,024
14 2 Bedrooms	80%	\$2,694
13 3 Bedrooms	80%	\$3,239
9 2 Bedrooms	80%	\$2,783
1 2 Bedrooms	Manager's Unit	\$2,103
1 3 Bedrooms	Manager's Unit	\$2,024

Project Cost Summary at Application

Land and Acquisition	\$90,000,000
Construction Costs	\$0
Rehabilitation Costs	\$23,137,886
Construction Hard Cost Contingency	\$2,313,788
Soft Cost Contingency	\$92,036
Relocation	\$1,124,500
Architectural/Engineering	\$450,000
Const. Interest, Perm. Financing	\$11,607,271
Legal Fees	\$361,000
Reserves	\$1,409,392
Other Costs	\$1,215,124
Developer Fee	\$17,396,412
Commercial Costs	\$0
Total	\$149,107,409

Residential

Construction Cost Per Square Foot:	\$119
Per Unit Cost:	\$861,893
Estimated Hard Per Unit Cost:	\$115,000
True Cash Per Unit Cost*:	\$778,733
Bond Allocation Per Unit:	\$427,286
Bond Allocation Per Restricted Rental Unit:	\$547,559

Construction Financing

Source	Amount
Citibank: Tax-Exempt	\$73,920,421
Citibank: Recycled Tax-Exempt	\$3,079,579
Net Operating Income	\$6,884,359
Deferred Developer Fee	\$14,386,669
Tax Credit Equity	\$50,636,381

Permanent Financing

Source	Amount
Citibank: Tax-Exempt	\$62,920,421
Reliant Cap X LLC: Tax-Exempt	\$11,000,000
Citibank: Recycled Tax-Exempt	\$3,079,579
Net Operating Income	\$6,884,359
Deferred Developer Fee	\$14,386,669
Tax Credit Equity	\$50,836,381
TOTAL	\$149,107,409

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$36,878,293
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$96,494,200
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$47,941,781
Qualified Basis (Acquisition):	\$96,494,200
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,917,671
Maximum Annual Federal Credit, Acquisition:	\$3,859,768
Total Maximum Annual Federal Credit:	\$5,777,439
Approved Developer Fee (in Project Cost & Eligible Basis):	\$17,396,412
Federal Tax Credit Factor:	\$0.87991

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 \$778,733. The applicant noted that the per unit cost is attributed to construction costs, acquisition costs and interest rates.

The applicant has requested a waiver to reduce the 10% mobility feature requirement under CTCAC Regulation Section 10325(f)(7)(K)(ii)(b) due to impracticality or undue financial burden. Specifically, the project is granted a waiver to provide a total of five (5) ground floor units as Housing Units with Mobility Features.

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	20
New Construction Density and Local Incentives	10	0	0
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	0
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	0
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	110

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: 131.624%