

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2025 First Round

June 18, 2025

Cypress Lane Senior Apartments, located at 1610, 1613, 1616, 1620 Cypress Lane in Paradise, requested and is being recommended for a reservation of \$1,707,396 in annual federal tax credits to finance the new construction of 69 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Mercy Housing California and will be located in Senate District 1 and Assembly District 3.

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 Multifamily Housing Program (MHP) of HCD.

Project Number CA-25-017

Project Name Cypress Lane Senior Apartments
Site Address: 1610, 1613, 1616, 1620 Cypress Lane
Paradise, CA 95969
County: Butte
Census Tract: 0019.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,707,396	\$0
Recommended:	\$1,707,396	\$0

Applicant Information

Applicant:	Mercy Housing California
Contact:	Richard C. Ciraulo
Address:	2512 River Plaza Drive, Suite 200 Sacramento, CA 95833
Phone:	916-414-4441
Email:	rciraulo@mercyhousing.org
General Partners / Principal Owners:	Mercy Housing California 114 LLC Community Housing Improvement Program
General Partner Type:	Joint Venture
Parent Companies:	Mercy Housing Calwest Community Housing Improvement Program
Developer:	Mercy Housing California
Investor/Consultant:	California Housing Partnership
Management Agent:	Community Housing Improvement Program

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	4
Total # of Units:	70
No. & % of Tax Credit Units:	69 100%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	HUD Section 8 Project-based Vouchers (25 Units - 36%) / Community Development Block Grant - Disaster Recovery (CDBG-DR)

Information

Set-Aside:	Rural apportionment (CDBG-DR)
Housing Type:	Seniors
Geographic Area:	N/A
CTCAC Project Analyst:	Nick White

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AMI:	11	15%
At or Below 40% AMI:	25	35%
At or Below 60% AMI:	33	45%

Unit Mix

69	1-Bedroom Units
1	2-Bedroom Units
70	Total Units

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
11 1 Bedroom	30%	\$510
14 1 Bedroom	40%	\$680
11 1 Bedroom	40%	\$680
33 1 Bedroom	60%	\$850
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,640,000
Construction Costs	\$25,796,243
Rehabilitation Costs	\$0
Construction Contingency	\$3,025,483
Relocation	\$0
Architectural/Engineering	\$1,230,817
Const. Interest, Perm. Financing	\$2,121,442
Legal Fees	\$160,000
Reserves	\$1,922,315
Other Costs	\$1,924,143
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$40,320,443

Residential

Construction Cost Per Square Foot:	\$525
Per Unit Cost:	\$576,006
True Cash Per Unit Cost*:	\$576,006

Construction Financing

Source	Amount
Chase	\$12,137,861
HCD: CDBG-DR-MHP	\$23,435,125
Deferred Costs	\$3,526,315
Tax Credit Equity	\$1,221,142

Permanent Financing

Source	Amount
HCD: CDBG-DR-MHP	\$26,039,028
Tax Credit Equity	\$14,281,415
TOTAL	\$40,320,443

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$18,971,068
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$18,971,068
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,707,396
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Federal Tax Credit Factor:	\$0.83644

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Seniors
Self-Score Final:	101.763%
CTCAC Final:	101.763%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, Town of Paradise, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i)(2) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of transit station or public bus stop	4	4	4
Within 1 mile of public park or community center open to general public	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 2 miles of a pharmacy	1	1	1
In-unit high speed internet service (Rural set-aside only)	3	3	3
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.