

# CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

## Project Staff Report

### 2025 First Round

June 18, 2025

Navajo Family Apartments, located at 7005 Navajo Road in San Diego, requested and is being recommended for a reservation of \$1,100,573 in annual federal tax credits to finance the new construction of 44 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Community HousingWorks and will be located in Senate District 39 and Assembly District 78.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

**Project Number** CA-25-049

**Project Name** Navajo Family Apartments  
Site Address: 7005 Navajo Road  
San Diego, CA 92119  
County: San Diego  
Census Tract: 98.01

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,100,573	\$0
Recommended:	\$1,100,573	\$0

#### **Applicant Information**

Applicant: Navajo Road Housing Associates, L.P.  
Contact: Kevin Leichner  
Address: 3111 Camino del Rio North, Suite 800  
San Diego, CA 92108  
Phone: 619-795-0213  
Email: kleichner@chworks.org

General Partner / Principal Owner: CHW Navajo Road LLC  
General Partner Type: Nonprofit  
Parent Company: Community HousingWorks  
Developer: Community HousingWorks  
Investor/Consultant: California Housing Partnership  
Management Agents: ConAm Management Corporation

#### **Project Information**

Construction Type: New Construction  
Total # Residential Buildings: 1  
Total # of Units: 45  
No. & % of Tax Credit Units: 44 100%  
Federal Set-Aside Elected: 40%/60%  
Federal Subsidy: HUD Section 8 Project-based Vouchers (8 Units - 18%) /  
Community Development Block Grant (CDBG)

**Information**

Set-Aside: N/A  
Housing Type: Large Family  
Geographic Area: San Diego County  
CTCAC Project Analyst: Brett Andersen

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percent of Required Affordable Units</b>
At or Below 30% AMI:	7	15%
At or Below 40% AMI:	5	10%
At or Below 50% AMI:	16	35%
At or Below 60% AMI:	16	35%

**Unit Mix**

21	1-Bedroom Units
12	2-Bedroom Units
12	3-Bedroom Units
45	Total Units

<b>Unit Type &amp; Number</b>	<b>2024 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
3 1 Bedroom	30%	\$852
2 2 Bedrooms	30%	\$1,023
2 3 Bedrooms	30%	\$1,182
4 1 Bedroom	40%	\$1,136
1 3 Bedrooms	40%	\$1,576
10 1 Bedroom	50%	\$1,420
3 2 Bedrooms	50%	\$1,705
3 3 Bedrooms	50%	\$1,970
4 1 Bedroom	60%	\$1,704
6 2 Bedrooms	60%	\$2,046
6 3 Bedrooms	60%	\$2,364
1 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$4,117,235
Construction Costs	\$14,764,350
Rehabilitation Costs	\$0
Construction Contingency	\$992,785
Relocation	\$0
Architectural/Engineering	\$1,870,399
Const. Interest, Perm. Financing	\$2,150,046
Legal Fees	\$216,000
Reserves	\$239,422
Other Costs	\$1,670,039
Developer Fee	\$2,500,000
Commercial Costs	\$0
<b>Total</b>	<b>\$28,520,276</b>

**Residential**

Construction Cost Per Square Foot:	\$346
Per Unit Cost:	\$633,784
True Cash Per Unit Cost*:	\$630,909

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
U.S. Bank	\$14,974,131	U.S. Bank	\$8,255,000
San Diego Housing Commission (SDHC)	\$3,210,240	SDHC	\$3,379,200
County of San Diego: IHTF <sup>1</sup>	\$3,055,500	County of San Diego: IHTF <sup>1</sup>	\$3,395,000
City of San Diego: CDBG	\$3,100,000	City of San Diego: CDBG	\$3,100,000
Waived Fees	\$129,378	Waived Fees	\$129,378
Deferred Costs	\$2,225,922	General Partner Equity	\$100
General Partner Equity	\$100	Tax Credit Equity	\$10,261,598
Tax Credit Equity	\$1,825,005	<b>TOTAL</b>	<b>\$28,520,276</b>

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

<sup>1</sup>Innovative Housing Trust Fund

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$9,406,607
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$12,228,589
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,100,573
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Federal Tax Credit Factor:	\$0.93239

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:	<b>Large Family</b>
Self-Score Final:	<b>94.506%</b>
CTCAC Final:	<b>94.506%</b>

**Significant Information / Additional Conditions**

Staff noted that the preliminary architectural drawings lack detailed description of suitable play area for children ages 13-17. The applicant is cautioned that outdoor play/recreational space must be constructed with appropriate amenities and/or be provided with reasonable play equipment suitable for children ages 13-17 pursuant to CTCAC Regulations 10325(g)(1)(D).

**Resyndication and Resyndication Transfer Event** None.

**Local Reviewing Agency**

The Local Reviewing Agency, San Diego Housing Commission, 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.

<b>Points System</b>	<b>Max. Possible Points</b>	<b>Requested Points</b>	<b>Points Awarded</b>
<b>Owner / Management Characteristics</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7
Management Experience	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Site Amenities</b>	<b>15</b>	<b>15</b>	<b>15</b>
Within 1/4 mile of transit station or public bus stop	4	4	4
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1/2 mile of public library	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of a public high school	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Highest or High Resource Area	8	8	8
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES</b>			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
<b>Lowest Income</b>	<b>52</b>	<b>52</b>	<b>52</b>
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Miscellaneous Federal and State Policies</b>	<b>2</b>	<b>2</b>	<b>2</b>
Smoke Free Residence	2	2	2
<b>Total Points</b>	<b>109</b>	<b>109</b>	<b>109</b>

**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.**