

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2025 First Round

June 18, 2025

Santa Teresa Multifamily, located at 5885 Santa Teresa Boulevard in San Jose, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$6,410,282 in total state tax credits to finance the new construction of 48 units of housing serving families and special needs tenants with rents affordable to households earning 30%-50% of area median income (AMI). The project will be developed by Santa Teresa, L.P. and will be located in Senate District 15 and Assembly District 28.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers and Rapid Rehousing (RRH) vouchers from the Santa Clara County Office of Supportive Housing (OSH).

Project Number CA-25-054

Project Name Santa Teresa Multifamily
Site Address: 5885 Santa Teresa Boulevard
San Jose, CA 95123
County: Santa Clara
Census Tract: 5120.45

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$6,410,282
Recommended:	\$2,500,000	\$6,410,282

* The applicant made an election to sell (Certificate) all or any portion of the state credits.

Applicant Information

Applicant: Charities Housing Development Corporation of Santa Clara County
Contact: Jovanny Escareno
Address: 1400 Parkmoor Avenue, Suite 190
San Jose, CA 95126
Phone: (408) 550-8300
Email: jescareno@charitieshousing.org

General Partner / Principal Owner: Santa Teresa Charities LLC
General Partner Type: Nonprofit
Parent Company: Charities Housing Development Corporation of Santa Clara County
Developer: Santa Teresa, L.P.
Investor/Consultant: California Housing Partnership
Management Agent: Charities Housing Development Corporation of Santa Clara County

Project Information

Construction Type: New Construction
Total # Residential Buildings: 3
Total # of Units: 49
No. & % of Tax Credit Units: 48 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (21 Units - 43%)

Information

Set-Aside: Nonprofit (Homeless assistance)
Housing Type: Special Needs Large Family
Type of Special Needs: Homeless
Average Targeted Affordability of Special Needs Project Units: 39.58%
% of Special Need Units: 24 Units 50.00%
Geographic Area: South and West Bay Region
CTCAC Project Analyst: Michael Reichert

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AMI:	25	50%
At or Below 50% AMI:	23	40%

Unit Mix

11	SRO/Studio Units
10	1-Bedroom Units
13	2-Bedroom Units
15	3-Bedroom Units
49	Total Units

Unit Type & Number	2024 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
10 SRO/Studio	30%	\$968
1 SRO/Studio	30%	\$968
9 1 Bedroom	30%	\$1,036
3 2 Bedrooms	30%	\$1,244
2 3 Bedrooms	30%	\$1,438
1 1 Bedroom	50%	\$1,728
10 2 Bedrooms	50%	\$2,073
11 3 Bedrooms	50%	\$2,396
1 3 Bedrooms	50%	\$2,396
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,400,955
Construction Costs	\$27,306,665
Rehabilitation Costs	\$0
Construction Contingency	\$1,725,735
Relocation	\$0
Architectural/Engineering	\$2,334,475
Const. Interest, Perm. Financing	\$3,620,594
Legal Fees	\$260,000
Reserves	\$590,741
Other Costs	\$3,355,884
Developer Fee	\$2,800,000
Commercial Costs	\$0
Total	\$45,395,049

Residential

Construction Cost Per Square Foot:	\$738
Per Unit Cost:	\$926,430
True Cash Per Unit Cost*:	\$919,888

Construction Financing

Source	Amount
Wells Fargo	\$22,050,520
County of Santa Clara	\$4,000,000
City of San Jose	\$7,250,000
Housing Trust of Silicon Valley	\$6,250,000
Waived Fee	\$320,535
Deferred Costs	\$3,010,043
Tax Credit Equity	\$2,513,951

Permanent Financing

Source	Amount
Wells Fargo	\$6,165,000
County of Santa Clara	\$4,000,000
City of San Jose	\$7,250,000
Waived Fee	\$320,535
Tax Credit Equity	\$27,659,514
TOTAL	\$45,395,049

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,367,521
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,777
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$6,410,282
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,800,000
Federal Tax Credit Factor:	\$0.90079
State Tax Credit Factor:	\$0.80180

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:	Special Needs
Self-Score Final:	74.539%
CTCAC Final:	64.539%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$919,888. The applicant noted that the per unit cost is attributed to extensive site work to connect all three buildings to public utilities and meet utility clearance requirements, shortage of qualified labor, supply chain shortages, inflation, prevailing wages, rising interest rates, uncertain market conditions, and the project's larger unit sizes.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of San Jose, 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

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 ¼ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ 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 mile of a pharmacy	1	1	1
Highest or High Resource Area	8	8	0
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. 84 hrs/yr instruction	7	7	7
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 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
Smoke Free Residence	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.