

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
August 5, 2025**

BMG Housing, located at 3678-3679 Bridgeport Court, 510 Branham Lane East, and 513 Branham Lane East in Santa Clara County on a total of 4.9 acres, requested and is being recommended for a reservation of \$1,395,195 in annual federal tax credits and \$18,429,090 of tax-exempt bond cap to finance the acquisition & rehabilitation of 109 units of housing, consisting of 106 restricted rental units and 3 unrestricted manager's units. The project has 40 one-bedroom units, 9 two-bedroom units, 44 three-bedroom units, and 16 four-bedroom units, serving tenants with rents affordable to households earning 30%-80% of area median income (AMI). The construction is expected to begin in February 2026 and be completed in February 2027. The project will be developed by Community Housing Developers, Inc. and is located in Senate District 15 and Assembly District 26.

The project financing includes state funding from the California Housing Rehabilitation Program-Rental (CHRP-R) and Rental Housing Construction Program (RHCP) programs of HCD.

Project Number CA-25-552

Project Name	BMG Housing
Site Addresses:	Site 1
	3678-3679 Bridgeport Court
	San Jose, CA 95117
	County: Santa Clara
	Census Tract: 5063.05
	Site 2
	510 Branham Lane East
	San Jose, CA 95111
	County: Santa Clara
	Census Tract: 5120.43
	Site 3
	513 Branham Lane East
	San Jose, CA 95111
	County: Santa Clara
	Census Tract: 5120.56

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,395,195	\$0
Recommended:	\$1,395,195	\$0

Tax-Exempt Bond Allocation	
Recommended:	\$18,429,090

CTCAC Applicant Information	
CTCAC Applicant/CDLAC Sponsor:	BMG Housing LP
Contact:	Wendy Cruz
Address:	95 S. Market Street, Suite 610
	San Jose, CA 95113
Phone:	408-279-7677
Email:	wcruz@communityhousingsv.org

Bond Financing Information

CDLAC Applicant/Bond Issuer:	California Municipal Finance Authority
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser:	Citibank, N.A.
Cash Flow Permanent Bond:	Not Applicable
Public Sale:	Not Applicable
Underwriter:	Not Applicable
Credit Enhancement Provider:	Not Applicable
Rating:	Not Applicable
Denomination:	Not Applicable

Development Team

General Partners / Principal Owners:	BMG Housing LLC Kingdom BD, LLC
General Partner Type:	Nonprofit
Parent Companies:	Community Housing Developers, Inc. Kingdom Development, Inc.
Developer:	Community Housing Developers, Inc.
Investor/Consultant:	CREA, LLC
Management Agent:	Community Housing Developers, Inc.

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	14
Total # of Units:	109
No. / % of Low Income Units:	106 100.00%
Average Targeted Affordability:	39.91%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt

Information

Housing Type:	Non-Targeted
Geographic Area:	Bay Area Region
State Ceiling Pool:	Other Rehabilitation
Set Aside:	N/A
Homeless Set Aside Units:	N/A
CDLAC Project Analyst:	Danielle Stevenson
CTCAC Project Analyst:	Sabrina Yang

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	67	63%
50% AMI:	30	28%
80% AMI*:	9	8%

*CTCAC restricted only

Unit Mix

40	1-Bedroom Units
9	2-Bedroom Units
44	3-Bedroom Units
16	4-Bedroom Units
109	Total Units

Unit Type & Number	2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
18 3 Bedrooms	30%	\$1,030
4 3 Bedrooms	50%	\$1,716
5 3 Bedrooms	80%	\$2,745
4 2 Bedrooms	30%	\$891
4 2 Bedrooms	50%	\$1,485
7 3 Bedrooms	30%	\$1,030
8 3 Bedrooms	50%	\$1,716
11 4 Bedrooms	30%	\$1,148
1 4 Bedrooms	50%	\$1,914
4 4 Bedrooms	80%	\$3,062
27 1 Bedroom	30%	\$742
13 1 Bedroom	50%	\$1,237
1 3 Bedrooms	Manager's Unit	\$700
1 3 Bedrooms	Manager's Unit	\$600
1 2 Bedrooms	Manager's Unit	\$500

Project Cost Summary at Application

Land and Acquisition	\$19,017,118
Construction Costs	\$0
Rehabilitation Costs	\$8,076,642
Construction Hard Cost Contingency	\$797,864
Soft Cost Contingency	\$911,594
Relocation	\$716,472
Architectural/Engineering	\$400,000
Const. Interest, Perm. Financing	\$1,923,374
Legal Fees	\$275,000
Reserves	\$725,372
Other Costs	\$401,515
Developer Fee	\$4,208,612
Commercial Costs	\$0
Total	\$37,453,563

Residential

Construction Cost Per Square Foot:	\$82
Per Unit Cost:	\$343,611
Estimated Hard Per Unit Cost:	\$64,600
True Cash Per Unit Cost*:	\$316,518
Bond Allocation Per Unit:	\$169,074
Bond Allocation Per Restricted Rental Unit:	\$189,991

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank: Tax-Exempt	\$12,845,576	Citibank: Tax-Exempt	\$5,164,068
CMFA ¹ : Tax-Exempt	\$5,583,514	CMFA ¹ : Tax-Exempt	\$5,583,514
CMFA ¹ : Recycled Tax-Exempt	\$585,252	CMFA ¹ : Recycled Tax-Exempt	\$585,252
HCD: CHRP-R	\$3,110,399	HCD: CHRP-R	\$3,110,399
HCD: RHCP-0022	\$5,363,793	HCD: RHCP-0022	\$5,363,793
HCD: RHCP-0017	\$1,594,020	HCD: RHCP-0017	\$1,594,020
City of San Jose: Meadows	\$89,735	City of San Jose: Meadows	\$89,735
City of San Jose: Bridgeport	\$1,750,295	City of San Jose: Bridgeport	\$1,750,295
Acquired Reserves	\$280,595	Acquired Reserves	\$280,595
Deferred Costs	\$5,514,025	Net Operating Income	\$166,479
Net Operating Income	\$166,479	Deferred Developer Fee	\$2,367,818
Tax Credit Equity	\$569,880	Tax Credit Equity	\$11,397,595
		TOTAL	\$37,453,563

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

¹California Municipal Finance Authority

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$8,712,783
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$18,299,950
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$16,579,913
Qualified Basis (Acquisition):	\$18,299,950
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$663,197
Maximum Annual Federal Credit, Acquisition:	\$731,998
Total Maximum Annual Federal Credit:	\$1,395,195
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,208,612
Federal Tax Credit Factor:	\$0.81692

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

This project involves the substantial acquisition and rehabilitation of 3 scattered-site buildings originally constructed in 1960s and 1990s in the city of San Jose.

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	0
New Construction Density and Local Incentives	10	0	0
Exceeding Minimum Income Restrictions	20	20	0
Exceeding Minimum Rent Restrictions	10	10	0
General Partner Experience	7	7	0
Management Company Experience	3	3	0
Housing Needs	10	0	0
Leveraged Soft Resources	8	8	0
Readiness to Proceed	10	10	0
Affirmatively Furthering Fair Housing	10	0	0
Site Amenities	10	10	0
Service Amenities	10	10	0
Cost Containment	12	12	0
Negative Points	No Maximum		0
Total Points	120	110	0

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: .000%