

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

Coral Blossom Apartments, located at 8484 Elk Grove Florin Road in Elk Grove on a 2.17 acre site, requested and is being recommended for a reservation of \$2,216,098 in annual federal tax credits and \$5,045,179 in total state tax credits and \$23,500,000 of tax-exempt bond cap to finance the new construction of 81 units of housing, consisting of 80 restricted rental units and 1 unrestricted manager's unit. The project will have 80 one-bedroom units, and 1 two-bedroom unit, serving special needs tenants with rents affordable to households earning 30%-50% of area median income (AMI). The construction is expected to begin in December 2025 and be completed in September 2027. The project will be developed by Excelerate Housing Group LLC and will be located in Senate District 8 and Assembly District 10.

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

Project Number	CA-25-574
Project Name	Coral Blossom Apartments
Site Address:	8484 Elk Grove Florin Road Elk Grove, CA 95624
County:	Sacramento
Census Tract:	0093.33

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,216,098	\$5,045,179
Recommended:	\$2,216,098	\$5,045,179

* The applicant made an election not to sell (Certificate) any portion of the state credits.

Tax-Exempt Bond Allocation	
Recommended:	\$23,500,000

CTCAC Applicant Information	
CTCAC Applicant/CDLAC Sponsor:	Coral Blossom Apartments LP
Contact:	Dana Trujillo
Address:	3910 Cover Street Long Beach, CA 90808
Phone:	562-268-2700
Email:	dana@ehghousing.com

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

Development Team

General Partners / Principal Owners:	Coral Blossom GP LLC TLCS, Inc. dba Hope Cooperative
General Partner Type:	Joint Venture
Parent Companies:	Excelerate Housing Group LLC TLCS, Inc. dba Hope Cooperative
Developer:	Excelerate Housing Group LLC
Investor/Consultant:	National Equity Fund, Inc.
Management Agent:	John Stewart Company, Inc.

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	81
No. / % of Low Income Units:	80 100.00%
Average Targeted Affordability:	40.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (80 Units - 99%)

Information

Housing Type:	Special Needs
% of Special Need Units:	80 units 100%
Geographic Area:	Northern Region
State Ceiling Pool:	New Construction
Set Aside:	Extremely Low/Very Low Income Set Aside
Homeless Set Aside Units:	80
CDLAC Project Analyst:	Anthony Wey
CTCAC Project Analyst:	Sabrina Yang

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	40	50%
50% AMI:	40	50%

Unit Mix

80	1-Bedroom Units
1	2-Bedroom Units
81	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
40 1 Bedroom	30%	\$723
40 1 Bedroom	50%	\$1,206
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1,809,000
Construction Costs	\$29,250,376
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,459,019
Soft Cost Contingency	\$356,578
Relocation	\$0
Architectural/Engineering	\$1,599,480
Const. Interest, Perm. Financing	\$3,906,590
Legal Fees	\$204,100
Reserves	\$831,571
Other Costs	\$4,437,543
Developer Fee	\$3,900,000
Commercial Costs	\$0
Total	\$47,754,257

Residential

Construction Cost Per Square Foot:	\$365
Per Unit Cost:	\$589,559
Estimated Hard Per Unit Cost:	\$312,155
True Cash Per Unit Cost*:	\$589,559
Bond Allocation Per Unit:	\$290,123
Bond Allocation Per Restricted Rental Unit:	\$293,750

Construction Financing

Source	Amount
Citibank: Tax-Exempt	\$23,500,000
Bonneville: Recycled Tax-Exempt	\$5,000,000
City of Elk Grove	\$5,000,000
City of Elk Grove: Donated Land	\$1,650,000
Deferred Costs	\$2,528,570
Deferred Developer Fee	\$1,100,000
General Partner Equity	\$100
Tax Credit Equity	\$8,975,587

Permanent Financing

Source	Amount
Citibank: Taxable	\$11,423,000
Bonneville: Recycled Tax-Exempt	\$5,000,000
FHLB: AHP ¹	\$2,000,000
City of Elk Grove: Donated Land	\$1,650,000
City of Elk Grove	\$5,000,000
Deferred Developer Fee	\$1,100,000
General Partner Equity	\$100
Tax Credit Equity	\$21,581,157
TOTAL	\$47,754,257

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

¹Federal Home Loan Bank: Affordable Housing Program

Determination of Credit Amount(s)

Requested Eligible Basis:	\$42,617,264
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$55,402,443
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,216,098
Total State Credit:	\$5,045,179
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,900,000
Federal Tax Credit Factor:	\$0.81447
State Tax Credit Factor:	\$0.70000

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

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

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	10
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	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	10
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	120

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: 98.125%