

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

Balboa Reservoir - Building A, located at 11 Frida Kahlo Way in San Francisco on a 1.1 acre site, requested and is being recommended for a reservation of \$6,958,772 in annual federal tax credits and \$91,504,000 of tax-exempt bond cap to finance the new construction of 159 units of housing, consisting of 158 restricted rental units and 1 unrestricted manager's unit. The project will have 13 studio units, 65 one-bedroom units, 40 two-bedroom units, and 41 three-bedroom units, serving families with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in January 2026 and be completed in November 2027. The project will be developed by BRIDGE Housing Corporation and will be located in Senate District 11 and Assembly District 19.

The project financing includes state funding from the Affordable Housing and Sustainable Communities (AHSC) program of HCD.

Project Number CA-25-600

Project Name Balboa Reservoir - Building A
Site Address: 11 Frida Kahlo Way
San Francisco, CA 94112
County: San Francisco
Census Tract: 310.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$6,958,772	\$0
Recommended:	\$6,958,772	\$0

Tax-Exempt Bond Allocation
Recommended: \$91,504,000

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor:	Balboa Gateway LP
Contact:	Smitha Seshadri
Address:	350 California Street, 16th Floor San Francisco, CA 94104
Phone:	415-321-3516
Email:	sseshadri@bridgehousing.com

Bond Financing Information

CDLAC Applicant/Bond Issuer:	City and County of San Francisco
Bond Counsel:	Jones Hall, A Professional Law Corporation
Private Placement Purchaser:	Citi Community Capital
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 Partner / Principal Owner:	Balboa Gateway LLC
General Partner Type:	Nonprofit
Parent Company:	BRIDGE Housing Corporation
Developer:	BRIDGE Housing Corporation
Investor/Consultant:	California Housing Partnership
Management Agent:	BRIDGE Property Management Company

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	159
No. / % of Low Income Units:	158 100.00%
Average Targeted Affordability:	49.81%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt

Information

Housing Type:	Large Family
Geographic Area:	Bay Area Region
State Ceiling Pool:	New Construction
Set Aside:	Extremely Low/Very Low Income Set Aside
Homeless Set Aside Units:	N/A
CDLAC Project Analyst:	Erin DeBlaquiere
CTCAC Project Analyst:	Marilynn Thao

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	41	26%
50% AMI:	38	24%
60% AMI:	79	50%

Unit Mix

13	SRO/Studio Units
65	1-Bedroom Units
40	2-Bedroom Units
41	3-Bedroom Units
159	Total Units

Unit Type & Number	2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
11 SRO/Studio	30%	\$1,015
19 1 Bedroom	30%	\$1,088
7 2 Bedrooms	30%	\$1,305
4 3 Bedrooms	30%	\$1,499
2 SRO/Studio	50%	\$1,692
36 3 Bedrooms	50%	\$2,514
46 1 Bedroom	60%	\$2,176
33 2 Bedrooms	60%	\$2,611
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$18,479,351
Construction Costs	\$112,500,346
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$5,027,154
Soft Cost Contingency	\$1,105,077
Relocation	\$0
Architectural/Engineering	\$3,488,378
Const. Interest, Perm. Financing	\$14,603,143
Legal Fees	\$244,621
Reserves	\$816,480
Other Costs	\$5,629,188
Developer Fee	\$22,691,647
Commercial Costs	\$0
Total	\$184,585,385

Residential

Construction Cost Per Square Foot:	\$693
Per Unit Cost:	\$1,160,914
Estimated Hard Per Unit Cost:	\$595,720
True Cash Per Unit Cost*:	\$1,140,379
Bond Allocation Per Unit:	\$575,497
Bond Allocation Per Restricted Rental Unit:	\$579,139

Construction Financing

Source	Amount
Citibank: Tax-Exempt	\$91,504,000
Citibank: Taxable	\$13,431,007
MOHCD ¹	\$50,965,629
Deferred Costs	\$2,454,901
Deferred Developer Fee	\$3,265,127
General Partner Equity	\$16,926,520
Tax Credit Equity	\$6,038,201

Permanent Financing

Source	Amount
Citibank: Tax-Exempt	\$18,337,000
MOHCD ¹	\$50,965,629
AHSC AHD	\$33,000,000
Deferred Developer Fee	\$3,265,127
General Partner Equity	\$16,926,520
Tax Credit Equity	\$62,091,109
TOTAL	\$184,585,385

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

¹Mayor's Office of Housing and Community Development

Determination of Credit Amount(s)

Requested Eligible Basis:	\$173,969,298
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$173,969,298
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$6,958,772
Approved Developer Fee (in Project Cost & Eligible Basis):	\$22,691,647
Federal Tax Credit Factor:	\$0.89227

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

Staff noted a per unit development cost of \$1,140,379. The applicant noted that the per unit cost is attributed to the project's location in San Francisco which increases the overall land cost/value, continued increases in construction costs, prevailing wage requirements, local permit fees, and the increased cost of borrowing due to the high-interest rate environment.

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: 133.969%