

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

Berryessa TOD, located at 1565 Mabury Road in San Jose on a 0.8 acre site, requested and is being recommended for a reservation of \$5,698,379 in annual federal tax credits and \$82,584,672 of tax-exempt bond cap to finance the new construction of 195 units of housing, consisting of 193 restricted rental units and 2 unrestricted manager's units. The project will have 63 studio units, 25 one-bedroom units, 54 two-bedroom units, and 53 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 January 2028. The project will be developed by Affirmed Housing Group, Inc. and will be located in Senate District 10 and Assembly District 24.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Affordable Housing and Sustainable Communities (AHSC) program of HCD.

Project Number	CA-25-638
Project Name	Berryessa TOD
Site Address:	1565 Mabury Road San Jose, CA 95133
County:	Santa Clara
Census Tract:	5043.19

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$5,698,379	\$0
Recommended:	\$5,698,379	\$0

Tax-Exempt Bond Allocation	
Recommended:	\$82,584,672

CTCAC Applicant Information	
CTCAC Applicant/CDLAC Sponsor:	Berryessa Affordable Housing, LP
Contact:	Robin Martinez
Address:	13520 Evening Creek Drive North, Suite 560 San Diego, CA 92128
Phone:	858.386.4211
Email:	robin@compassfah.org

Bond Financing Information	
CDLAC Applicant/Bond Issuer:	City of San Jose
Bond Counsel:	Hawkins, Delafield & Wood LLP
Private Placement Purchaser:	Citibank, N.A.

Development Team

General Partners / Principal Owners:	AHG Berryessa, LLC CFAH Housing, LLC
General Partner Type:	Joint Venture
Parent Companies:	Affirmed Housing Group, Inc. Compass for Affordable Housing
Developer:	Affirmed Housing Group, Inc.
Investor/Consultant:	WNC & Associates, Inc.
Management Agent:	Solari Enterprises, Inc.

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	195
No. / % of Low Income Units:	193 100.00%
Average Targeted Affordability:	47.46%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (49 Units - 25%)

Information

Housing Type:	Large Family
Geographic Area:	Bay Area Region
State Ceiling Pool:	New Construction
Set Aside:	Extremely Low/Very Low Income Set Aside
CDLAC Project Analyst:	Amit Sarang
CTCAC Project Analyst:	Ruben Barcelo

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	50	26%
50% AMI:	92	48%
60% AMI:	51	26%

Unit Mix

63	SRO/Studio Units
25	1-Bedroom Units
54	2-Bedroom Units
53	3-Bedroom Units
195	Total Units

Unit Type & Number	2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
1 SRO/Studio	30%	\$1,055
62 SRO/Studio	50%	\$1,758
25 1 Bedroom	30%	\$1,130
14 2 Bedrooms	30%	\$1,356
1 2 Bedrooms	50%	\$2,261
38 2 Bedrooms	60%	\$2,713
10 3 Bedrooms	30%	\$1,567
29 3 Bedrooms	50%	\$2,611
13 3 Bedrooms	60%	\$3,134
1 3 Bedrooms	Manager Unit	\$0
1 2 Bedrooms	Manager Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$11,355,197
Construction Costs	\$104,655,456
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$6,277,402
Soft Cost Contingency	\$1,453,313
Relocation	\$0
Architectural/Engineering	\$5,954,000
Const. Interest, Perm. Financing	\$13,985,390
Legal Fees	\$393,500
Reserves	\$1,202,000
Other Costs	\$7,354,877
Developer Fee	\$9,961,739
Commercial Costs	\$0
Total	\$162,592,874

Residential

Construction Cost Per Square Foot:	\$501
Per Unit Cost:	\$833,810
Estimated Hard Per Unit Cost:	\$471,059
True Cash Per Unit Cost*:	\$813,493
Bond Allocation Per Unit:	\$423,511
Bond Allocation Per Restricted Rental Unit:	\$427,900

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank: Tax-Exempt	\$82,584,672	Citibank: Tax-Exempt	\$42,344,703
Citibank: Taxable	\$14,427,757	HCD: AHSC	\$29,000,000
Housing Accelerator Fund	\$15,235,540	Housing Accelerator Fund	\$15,499,884
County of Santa Clara	\$11,115,000	County of Santa Clara	\$11,115,000
City of San Jose	\$9,898,877	City of San Jose	\$9,898,877
Deferred Costs	\$6,483,378	Deferred Developer Fee	\$3,961,739
Tax Credit Equity	\$22,847,650	Tax Credit Equity	\$50,772,671
		TOTAL	\$162,592,874

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$142,459,472
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$142,459,472
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$5,698,379
Approved Developer Fee (in Project Cost & Eligible Basis):	\$9,961,739
Federal Tax Credit Factor:	\$0.89100

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 \$813,493. The applicant indicated that the per unit cost is attributed to a requirement to pay prevailing wages, design elements that include three elevators and Type I-A construction, and relatively high Bay Area real estate prices.

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	9
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	119

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: 146.968%