

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

**Project Staff Report
2025 Waiting List Project
September 30, 2025**

Castlewood Terrace, located at 16920 Chatsworth Street in Granada Hills, requested and is being recommended for a reservation of \$2,276,078 in annual federal tax credits to finance the acquisition and rehabilitation of 67 units of housing serving seniors with rents affordable to households earning 20%-60% of area median income (AMI). The project will be developed by Mansermar Development, LLC (fka Psalms 127, LLC) and is located in Senate District 27 and Assembly District 40.

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

Project Number CA-25-075

Project Name Castlewood Terrace
Site Address: 16920 Chatsworth Street
Granada Hills, CA 91344
County: Los Angeles
Census Tract: 1114.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,276,078	\$0
Recommended:	\$2,276,078	\$0

Applicant Information

Applicant: Castlewood Terrace, LP
Contact: Mark Kemp
Address: 1720 Gracewood Parkway
Bishop, GA 30621
Phone: (706) 354-3885
Email: mkemp@rebuildamericainc.com

General Partners / Principal Owners: Castlewood GP, Inc.
Community Revitalization and Development Corporation
General Partner Type: Nonprofit
Parent Companies: Rebuild America, Inc.
Community Revitalization and Development Corporation
Developer: Mansermar Development, LLC (fka Psalms 127, LLC)
Investor/Consultant: Red Stone Equity Partners
Management Agents: Barker Management, Incorporated
Mansermar, Inc.

Project Information

Construction Type: Acquisition and Rehabilitation
Total # Residential Buildings: 1
Total # of Units: 68
No. & % of Tax Credit Units: 67 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD RAD Project-based Vouchers (67 Units - 100%)

Information

Set-Aside: N/A
 Housing Type: Seniors
 Geographic Area: City of Los Angeles
 CTCAC Project Analyst: Chris Saenz

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 20% AMI:	7	10%
At or Below 30% AMI:	14	20%
At or Below 60% AMI:	46	65%

Unit Mix

68	1-Bedroom Units
68	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
46 1 Bedroom	60%	\$1,704
14 1 Bedroom	30%	\$852
7 1 Bedroom	20%	\$568
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$12,700,000
Construction Costs	\$0
Rehabilitation Costs	\$10,030,627
Construction Contingency	\$1,095,454
Relocation	\$508,792
Architectural/Engineering	\$225,380
Const. Interest, Perm. Financing	\$1,282,216
Legal Fees	\$485,740
Reserves	\$1,109,286
Other Costs	\$863,052
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$30,800,547

Residential

Construction Cost Per Square Foot:	\$193
Per Unit Cost:	\$452,949
True Cash Per Unit Cost*:	\$370,904

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank	\$16,794,283	Citibank	\$5,955,304
Seller Note	\$5,575,227	Seller Note	\$5,575,227
Net Operating Income	\$179,879	Net Operating Income	\$359,758
Acquired Reserve	\$697,751	Acquired Reserve	\$697,751
Deferred Cost	\$343,535	Deferred Developer Fee	\$3,881
Deferred Developer Fee	\$1,747,284	Tax Credit Equity	\$18,208,626
Tax Credit Equity	\$5,462,588	TOTAL	\$30,800,547

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$15,308,306
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$13,246,800
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$19,900,797
Applicable Rate:	9.00%
Qualified Basis (Acquisition):	\$13,246,800
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,746,206
Maximum Annual Federal Credit, Acquisition:	\$529,872
Total Maximum Annual Federal Credit:	\$2,276,078
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Federal Tax Credit Factor:	\$0.80000

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

Initial:	No Letter of Support
First:	Seniors
Self-Score Final:	22.424%
CTCAC Final:	17.104%

Significant Information / Additional Conditions

When contracting with a California-experienced property management company as described in CTCAC regulation section 10325(c)(1) (A)(ii) and (B)(ii), the general partner and property co-management entity must obtain training in: project operations, on-site certification training in federal fair housing law, and manager certification in IRS Section 42 program requirements from a CTCAC-approved, nationally recognized entity. Additionally, the experienced property management agent or an equally experienced substitute, must remain for a period of at least 3 years from the placed-in-service date (or, for ownership transfers, 3 years from the sale or transfer date) to allow for at least one (1) CTCAC monitoring visit to ensure the project is in compliance with IRC Section 42. Thereafter, the experienced property manager may transfer responsibilities to the remaining general partner or property management firm following formal written approval from CTCAC.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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 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.

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 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1/2 mile of a pharmacy	2	2	2
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. 60 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.