

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2025 Second Round

September 30, 2025

Fountain Street Apartments, located at 4151 East Fountain Street, 4220 East Wehrle Court, and 4209 East Anaheim Street in Long Beach, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits and \$7,703,287 in total state tax credits to finance the new construction of 72 units of housing serving families with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Linc Community Development Corporation and will be located in Senate District 33 and Assembly District 69.

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 Multifamily Housing Program (MHP) program of HCD.

Project Number CA-25-081

Project Name Fountain Street Apartments
Site Address: 4151 East Fountain Street, 4220 East Wehrle Court, and
4209 East Anaheim Street
Long Beach, CA 90804
County: Los Angeles
Census Tract: 5750.02

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$2,500,000	\$7,703,287
Recommended:	\$2,500,000	\$7,703,287

* The applicant made an election to sell (Certificate) all or any portion of the state credits.

Applicant Information

Applicant:	Linc Community Development Corporation
Contact:	Cecilia Ngo
Address:	3590 Elm Avenue Long Beach, CA 90807
Phone:	562-684-1134
Email:	cngo@linchousing.org
General Partners / Principal Owners:	LINC-Wehrle Apts, LLC
General Partner Type:	Nonprofit
Parent Company:	Linc Community Development Corporation
Developer:	Linc Community Development Corporation
Investor/Consultant:	Raymond James Affordable Housing Investments, Inc.
Management Agents:	WinnResidential□

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	2
Total # of Units:	73
No. & % of Tax Credit Units:	72 100%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	HUD Section 8 Project-based Vouchers (18 Units - 25%) / Community Development Block Grant (CDBG)

Information

Set-Aside:	N/A
Housing Type:	Large Family
Geographic Area:	Balance of Los Angeles County
CTCAC Project Analyst:	Gloria Witherow

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AMI:	22	30%
At or Below 40% AMI:	14	15%
At or Below 60% AMI:	36	50%

Unit Mix

36	1-Bedroom Units
16	2-Bedroom Units
21	3-Bedroom Units
73	Total Units

Unit Type & Number	2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
17 1 Bedroom	30%	\$599
1 1 Bedroom	30%	\$852
14 1 Bedroom	40%	\$1,136
4 1 Bedroom	60%	\$1,704
1 2 Bedrooms	30%	\$719
1 2 Bedrooms	30%	\$1,022
14 2 Bedrooms	60%	\$2,044
2 3 Bedrooms	30%	\$1,181
18 3 Bedrooms	60%	\$2,363
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$10,604,751
Construction Costs	\$37,418,617
Rehabilitation Costs	\$0
Construction Contingency	\$2,556,895
Relocation	\$0
Architectural/Engineering	\$2,385,000
Const. Interest, Perm. Financing	\$6,393,088
Legal Fees	\$450,000
Reserves	\$419,965
Other Costs	\$3,828,362
Developer Fee	\$2,800,000
Commercial Costs	\$0
Total	\$66,856,678

Residential

Construction Cost Per Square Foot:	\$454
Per Unit Cost:	\$915,845
True Cash Per Unit Cost*:	\$816,335

Construction Financing

Source	Amount
Bank of America	\$46,293,715
Seller Carryback	\$6,260,857
City of Long Beach	\$2,000,000
City of Long Beach: CDBG	\$1,600,000
Waived Fee	\$403,401
Deferred Costs	\$1,488,065
Deferred Developer Fee	\$600,000
General Partner Equity	\$100
Tax Credit Equity	\$8,210,540

Permanent Financing

Source	Amount
CCRC ¹	\$3,925,000
Seller Carryback	\$6,260,857
City of Long Beach	\$2,000,000
City of Long Beach: CDBG	\$1,600,000
HCD: MHP	\$23,123,459
Waived Fees	\$403,401
Deferred Developer Fee	\$600,000
General Partner Equity	\$100
Tax Credit Equity	\$28,943,861
TOTAL	\$66,856,678

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

¹California Community Reinvestment Corporation

Determination of Credit Amount(s)

Requested Eligible Basis:	\$27,777,778
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,778
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Total State Credit:	\$7,703,287
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,800,000
Federal Tax Credit Factor:	\$0.89205
State Tax Credit Factor:	\$0.86231

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:	Letter of Support
First:	Large Family
Self-Score Final:	98.018%
CTCAC Final:	97.145%

Significant Information / Additional Conditions

Staff noted a development cost of \$816,335 per unit. The applicant noted that the per unit cost is attributed to high costs associated with prevailing wages, an additional site, building design factors and demolition.

The project will restrict 18 Low-Income Units (25% of the Low-Income Units) to serve Special Needs Population(s), as defined in CTCAC Regulations Section 10302(kkk).

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 1/2 mile of public library	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within 1 mile of a public middle school	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	3
Within 1/2 mile of a pharmacy	2	2	2
Highest or High Resource Area	8	8	8
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
SPECIAL NEEDS, SRO HOUSING TYPES			
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
State Credit Substitution	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.