

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2025 Second Round

September 30, 2025

The project, 15 South Hope, located at 15 South Hope Avenue in Santa Barbara, requested and is being recommended for a reservation of \$2,500,000 in annual federal tax credits to finance the new construction of 45 units of housing serving special needs tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Santa Barbara Affordable Housing Group and will be located in Senate District 21 and Assembly District 37.

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

Project Number CA-25-138

Project Name 15 South Hope
Site Address: 15 South Hope Avenue
Santa Barbara, CA 93105
County: Santa Barbara
Census Tract: 2.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,500,000	\$0
Recommended:	\$2,500,000	\$0

Applicant Information

Applicant: 15 South Hope Associates, L.P.
Contact: Rob L. Fredericks
Address: 808 Laguna Street
Santa Barbara, CA 93101
Phone: 805-897-1051
Email: rfedericks@hacsb.org

General Partners / Principal Owners: Garden Court, Inc.
2nd Story Associates
General Partner Type: Nonprofit
Parent Companies: Housing Authority of the City of Santa Barbara
Developer: Santa Barbara Affordable Housing Group
Investor/Consultant: Enterprise Community Partners
Management Agents: Housing Authority of the City of Santa Barbara

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 46
No. & % of Tax Credit Units: 45 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (45 Units - 100%)

Information

Set-Aside: N/A
Housing Type: Special Needs
At least 20% 1-bedroom units and 10% larger than 1-bedroom units
Type of Special Needs: Persons with physical, mental, development disabilities
Average Targeted Affordability of Special Needs Project Units: 39.10%
% of Special Need Units: 23 units 51.11%
Geographic Area: Central Coast Region
CTCAC Project Analyst: Cynthia Compton

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AMI:	18	40%
At or Below 50% AMI:	14	30%
At or Below 60% AMI:	13	25%

Unit Mix

17	SRO/Studio Units
13	1-Bedroom Units
16	2-Bedroom Units
46	Total Units

Unit Type & Number	2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
9 SRO/Studio	30%	\$854
4 SRO/Studio	50%	\$1,423
4 SRO/Studio	60%	\$1,708
4 1 Bedroom	30%	\$915
5 1 Bedroom	50%	\$1,525
4 1 Bedroom	60%	\$1,830
5 2 Bedrooms	30%	\$1,098
5 2 Bedrooms	50%	\$1,830
5 2 Bedrooms	60%	\$2,196
1 2 Bedrooms	Manager's Unit	\$568

Project Cost Summary at Application

Land and Acquisition	\$8,875,000
Construction Costs	\$25,919,293
Rehabilitation Costs	\$0
Construction Contingency	\$1,440,024
Relocation	\$0
Architectural/Engineering	\$690,000
Const. Interest, Perm. Financing	\$3,131,102
Legal Fees	\$50,000
Reserves	\$325,366
Other Costs	\$494,215
Developer Fee	\$2,800,000
Commercial Costs	\$0
Total	\$43,725,000

Residential

Construction Cost Per Square Foot:	\$617
Per Unit Cost:	\$950,543
True Cash Per Unit Cost*:	\$760,332

Construction Financing

Source	Amount
Citi Community Capital	\$31,003,030
City of Santa Barbara	\$1,450,000
HACSB ¹ Gap Loan	\$1,500,000
Seller Carryback	\$7,875,000
Deferred Developer Fee	\$1,735,991
Waived Fees	\$160,979

Permanent Financing

Source	Amount
Citi Community Capital	\$11,003,030
City of Santa Barbara	\$1,450,000
HACSB ¹ Gap Loan	\$1,500,000
Enterprise Community Partners	\$22,160
Seller Carryback	\$7,875,000
Waived Fees	\$160,979
Deferred Developer Fees	\$713,731
General Partner Equity	\$100
Tax Credit Equity	\$21,000,000
TOTAL	\$43,725,000

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

¹ Housing Authority of the City of Santa Barbara

Determination of Credit Amount(s)

Requested Eligible Basis:	\$21,367,521
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$27,777,777
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,500,000
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,800,000

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

First:	Special Needs
Self-Score Final:	72.434%
CTCAC Final:	70.160%

Significant Information / Additional Conditions

Staff noted a per unit development cost of \$760,332. The applicant noted that the per unit cost is attributed to site mitigation requirements and complex and costly structural and site/topographical requirements.

This project received a waiver under CTCAC regulation section 10325(f)(7)(E) and will provide Speed Queen dryer equipment that is energy efficient but not ENERGY STAR rated in the community laundry room.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency, City of Santa Barbara, has completed a site review of this project and strongly supports this project.

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 ¼ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5
Within ½ mile of a pharmacy	2	2	2
In-unit high speed internet service	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
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 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.