

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
December 10, 2025**

Kings Garden, located at 1224 Fernot Way in Hanford on a 7.93 acre site, requested and is being recommended for a reservation of \$2,093,691 in annual federal tax credits and \$15,850,000 of tax-exempt bond cap to finance the acquisition & rehabilitation of 100 units of housing, consisting of 99 restricted rental units and 1 unrestricted manager's unit. The project has 10 one-bedroom units, 20 two-bedroom units, 50 three-bedroom units, and 20 four-bedroom units, serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in May 2026 and be completed in July 2027. The project will be developed by FH Kings Garden LIHTC Developer LLC and is located in Senate District 16 and Assembly District 33.

Kings Garden is a resyndication of an existing Low Income Housing Tax Credit (LIHTC) project, Kings Garden (CA-2006-867). See Resyndication and Resyndication Transfer Event below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-25-680

Project Name Kings Garden
Site Address: 1224 Fernot Way
Hanford, CA 93230
County: Kings
Census Tract: 0008.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,093,691	\$0
Recommended:	\$2,093,691	\$0

Tax-Exempt Bond Allocation
Recommended: \$15,850,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: FH Kings Garden LIHTC LP
Contact: Alex Magliozzi
Address: 780 Third Ave, 16th Floor
New York, NY 10017
Phone: 617 792 3526
Email: amagliozzi@forwardhousing.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: R4 Capital Funding LLC

Development Team

General Partners / Principal Owners:	FH Kings Garden LIHTC AGP LLC Kings Garden MGP LLC
General Partner Type:	Joint Venture
Parent Companies:	Forward Housing Preservation LLC Affordable Housing Access, Inc.
Developer:	FH Kings Garden LIHTC Developer LLC
Investor/Consultant:	R4 Capital LLC
Management Agent:	Aperto Property Management, Inc.

Project Information

Construction Type:	Acquisition & Rehabilitation	
Total # Residential Buildings:	24	
Total # of Units:	100	
No. / % of Low Income Units:	99	100.00%
Average Targeted Affordability:	43.33%	
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (97 Units - 97%)	

Information

Housing Type:	Non-Targeted
Geographic Area:	Inland Region
CDLAC Project Analyst:	Daisy Andrade
CTCAC Project Analyst:	Sabrina Yang

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	38	38%
50% AMI:	51	52%
60% AMI:	10	10%

Unit Mix

10	1-Bedroom Units
20	2-Bedroom Units
50	3-Bedroom Units
20	4-Bedroom Units
100	Total Units

Unit Type & Number	2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
4 1 Bedroom	30%	\$528
4 1 Bedroom	50%	\$881
2 1 Bedroom	60%	\$1,057
6 2 Bedrooms	30%	\$634
10 2 Bedrooms	50%	\$1,057
4 2 Bedrooms	60%	\$1,269
18 3 Bedrooms	30%	\$732
28 3 Bedrooms	50%	\$1,221
2 3 Bedrooms	60%	\$1,465
1 3 Bedrooms	60%	\$1,146
10 4 Bedrooms	30%	\$817
9 4 Bedrooms	50%	\$1,362
1 4 Bedrooms	60%	\$1,275
1 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$34,290,000
Construction Costs	\$0
Rehabilitation Costs	\$9,108,987
Construction Hard Cost Contingency	\$890,604
Soft Cost Contingency	\$700,000
Relocation	\$620,500
Architectural/Engineering	\$539,280
Const. Interest, Perm. Financing	\$4,235,237
Legal Fees	\$160,000
Reserves	\$785,752
Other Costs	\$1,086,288
Developer Fee	\$3,862,975
Commercial Costs	\$0
Total	\$56,279,623

Residential

Construction Cost Per Square Foot:	\$100
Per Unit Cost:	\$562,796
Estimated Hard Per Unit Cost:	\$78,483
True Cash Per Unit Cost*:	\$550,420
Bond Allocation Per Unit:	\$158,500
Bond Allocation Per Restricted Rental Unit:	\$160,101

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
R4 Capital: Tax-Exempt	\$15,850,000	R4 Capital: Tax-Exempt	\$15,850,000
R4 Capital: Taxable	\$16,000,000	R4 Capital: Taxable	\$13,290,000
Seller Carryback	\$7,224,320	Seller Carryback	\$7,224,320
Acquired Reserves	\$31,000	Acquired Reserves	\$31,000
Net Operating Income	\$1,059,714	Net Operating Income	\$1,059,714
Deferred Developer Fee	\$1,237,585	Deferred Developer Fee	\$1,237,585
Tax Credit Equity	\$14,877,004	Tax Credit Equity	\$17,587,004
		TOTAL	\$56,279,623

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$16,528,039
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$35,850,024
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$16,528,039
Qualified Basis (Acquisition):	\$35,850,024
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$659,690
Maximum Annual Federal Credit, Acquisition:	\$1,434,001
Total Maximum Annual Federal Credit:	\$2,093,691
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,862,975
Federal Tax Credit Factor:	\$0.84000

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: None.

CDLAC Analyst Comments: None.

Resyndication and Resyndication Transfer Event

Prior to closing, the applicant or its assignee shall obtain CTCAC's consent to assign and assume the existing Regulatory Agreement (CA-06-867). To be eligible for a new award of tax credits, the owner must provide documentation with the Form 8609 request (the placed in service submission) that the acquisition date and the placed in service date both occurred after the existing federal 15 year compliance period was completed. For resyndications that were originally rehabilitation and acquisition, the resyndication acquisition date cannot occur before the last rehabilitation credit year of the original credit period.

As required by the IRS, the newly resyndicated project will continue to use the originally assigned Building Identification Numbers (BINs).

The newly resyndicated project shall continue to meet the rents and income targeting levels in the existing regulatory agreement(s) and any deeper targeting levels in the new regulatory agreement(s) for the duration of the new regulatory agreement(s). Existing households determined to be income-qualified for purposes of IRC §42 credit during the 15-year compliance period are concurrently income-qualified households for purposes of the extended use agreement. As a result, any household determined to be income qualified at the time of move-in under the existing regulatory agreement (CA-06-867) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

The project is a resyndication where the existing regulatory agreement requires service amenities. The project shall provide a similar or greater level of services for a period of at least 15 years under the new regulatory agreement. The project is deemed to have met this requirement based on CTCAC staff’s review of the commitment in the application. The services documented in the placed in service package will be reviewed by CTCAC staff for compliance with this requirement at the time of the placed in service submission.

The project is a re-syndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from setting aside a Short Term Work Capitalized Replacement Reserve that is otherwise required.

Standard Conditions

The applicant shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 25% 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	20
New Construction Density and Local Incentives	10	0	0
Exceeding Minimum Income Restrictions	20	20	0
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	0
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	0
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	110

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: 264.738%