

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

Block A Family Apartments, located at 860 West San Carlos Street in San Jose on a 2.17 acre site, requested and is being recommended for a reservation of \$5,714,173 in annual federal tax credits and \$38,000,000 of tax-exempt bond cap to finance the new construction of 272 units of housing, consisting of 269 restricted rental units and 3 unrestricted manager's units. The project will have 107 one-bedroom units, 96 two-bedroom units, and 69 three-bedroom units, serving families with rents affordable to households earning 30%-70% of area median income (AMI). The construction is expected to begin in May 2026 and be completed in July 2028. The project will be developed by Green Valley Corporation dba Swenson and will be located in Senate District 15 and Assembly District 26.

Project Number CA-25-715

Project Name Block A Family Apartments
Site Address: 860 West San Carlos Street
San Jose, CA 95126

County: Santa Clara
Census Tract: 5019.01

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$5,714,173	\$0
Recommended:	\$5,714,173	\$0

Tax-Exempt Bond Allocation
Recommended: \$38,000,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: PacH San Jose Holdings, LLC
Contact: Mat Eland
Address: 2115 J Street
Sacramento, CA 95816

Phone: 916-638-5200
Email: meland@pacifichousing.org

Bond Financing Information
CDLAC Applicant/Bond Issuer: CMFA
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Berkadia Commercial Mortgage LLC

Development Team
General Partners / Principal Owners: Green Valley Corporation
PacH San Jose Holdings, LLC

General Partner Type: Joint Venture
Parent Companies: Green Valley Corporation dba Swenson
Pacific Housing, Inc.

Developer: Green Valley Corporation dba Swenson
Investor/Consultant: CREA
Management Agent: FPI Management

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 272
 No. / % of Low Income Units: 269 100.00%
 Average Targeted Affordability: 59.93%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Large Family
 Geographic Area: Bay Area Region
 State Ceiling Pool: New Construction
 CDLAC Project Analyst: Jake Salle
 CTCAC Project Analyst: Cynthia Compton

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	27	10%
50% AMI:	27	10%
60% AMI:	109	41%
70% AMI*:	106	39%

*CTCAC restricted only

Unit Mix

107	1-Bedroom Units
96	2-Bedroom Units
69	3-Bedroom Units
272	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
41 1 Bedroom	70%	\$2,638
44 1 Bedroom	60%	\$2,261
11 1 Bedroom	50%	\$1,884
11 1 Bedroom	30%	\$1,130
36 2 Bedrooms	70%	\$3,165
37 2 Bedrooms	60%	\$2,713
10 2 Bedrooms	50%	\$2,261
10 2 Bedrooms	30%	\$1,356
29 3 Bedrooms	70%	\$3,656
28 3 Bedrooms	60%	\$3,134
6 3 Bedrooms	50%	\$2,611
6 3 Bedrooms	30%	\$1,567
3 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$100
Construction Costs	\$92,900,070
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$4,570,518
Soft Cost Contingency	\$667,616
Relocation	\$0
Architectural/Engineering	\$5,000,000
Const. Interest, Perm. Financing	\$15,703,870
Legal Fees	\$775,000
Reserves	\$1,240,919
Other Costs	\$10,347,094
Developer Fee	\$18,635,034
Commercial Costs	\$0
Total	\$149,840,221

Residential

Construction Cost Per Square Foot:	\$371
Per Unit Cost:	\$550,883
Estimated Hard Per Unit Cost:	\$293,560
True Cash Per Unit Cost*:	\$488,901
Bond Allocation Per Unit:	\$139,706
Bond Allocation Per Restricted Rental Unit:	\$233,129

Construction Financing

Source	Amount
Berkadia: Tax-Exempt	\$38,000,000
Berkadia: Recycled Tax-Exempt	\$13,000,000
Berkadia: Taxable	\$33,393,069
Haven Capital	\$34,000,000
Net Operating Income	\$1,240,919
Deferred Developer Fee	\$18,635,034
Tax Credit Equity	\$11,571,199

Permanent Financing

Source	Amount
Berkadia: Tax-Exempt	\$49,781,000
Haven Capital	\$34,000,000
Net Operating Income	\$2,915,163
Deferred Developer Fee	\$16,859,260
Tax Credit Equity	\$46,284,798
TOTAL	\$149,840,221

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$142,868,603
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$142,868,603
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$5,714,173
Approved Developer Fee (in Project Cost & Eligible Basis):	\$18,635,034
Federal Tax Credit Factor:	\$0.81000

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:

This Project's annual per unit operating expense total is below the CTCAC published per unit operating minimums of \$6,800. As allowed by CTCAC Regulation Section 10327(g)(1), CTCAC approves an annual per unit operating expense total of \$5,780 on agreement of the permanent lender and equity investor.

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 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	0
New Construction Density and Local Incentives	10	0	10
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	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: 285.356%