

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

Oceana Terrace, located at 903 Oceana Boulevard in Pacifica on a 1.34 acre site, requested and is being recommended for a reservation of \$1,097,250 in annual federal tax credits and \$7,158,111 of tax-exempt bond cap to finance the acquisition & rehabilitation of 42 units of housing, consisting of 41 restricted rental units and 1 unrestricted manager's unit. The project has 41 one-bedroom units, and 1 two-bedroom unit, serving tenants with rents affordable to households earning 50% 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 Mercy Housing California and is located in Senate District 13 and Assembly District 23.

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

Project Number CA-25-723

Project Name Oceana Terrace
Site Address: 903 Oceana Boulevard
Pacifica, CA 94044
County: San Mateo
Census Tract: 3000.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,097,250	\$0
Recommended:	\$1,097,250	\$0

Tax-Exempt Bond Allocation
Recommended: \$7,158,111

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Mercy Housing California 121, L.P.
Contact: Tim Dunn
Address: 1256 Market Street
San Francisco, CA 94102
Phone: 415-355-7113
Email: tdunn@mercyhousing.org

Bond Financing Information
CDLAC Applicant/Bond Issuer: CMFA
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: Chase Bank

Development Team
General Partner / Principal Owner: Mercy Housing California 121, LLC
General Partner Type: Nonprofit
Parent Company: Mercy Housing California
Developer: Mercy Housing California
Investor/Consultant: California Housing Partnership
Management Agent: Mercy Housing Management Group

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	1
Total # of Units:	42
No. / % of Low Income Units:	41 100.00%
Average Targeted Affordability:	50.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Contract (41 Units - 98%) / HOME

Information

Housing Type:	Non-Targeted
Geographic Area:	Bay Area Region
State Ceiling Pool:	Preservation
CDLAC Project Analyst:	Erin DeBlaquiere
CTCAC Project Analyst:	Jacob Couch

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
50% AMI:	41	100%

Unit Mix

41	1-Bedroom Units
1	2-Bedroom Units
<hr/>	
42	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	50%	\$1,813
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$11,020,000
Construction Costs	\$0
Rehabilitation Costs	\$7,467,346
Construction Hard Cost Contingency	\$747,057
Soft Cost Contingency	\$100,000
Relocation	\$669,175
Architectural/Engineering	\$582,246
Const. Interest, Perm. Financing	\$1,361,835
Legal Fees	\$198,385
Reserves	\$278,083
Other Costs	\$251,873
Developer Fee	\$3,100,945
Commercial Costs	\$0
Total	\$25,776,945

Residential

Construction Cost Per Square Foot:	\$266
Per Unit Cost:	\$613,737
Estimated Hard Per Unit Cost:	\$159,579
True Cash Per Unit Cost*:	\$360,651
Bond Allocation Per Unit:	\$170,431
Bond Allocation Per Restricted Rental Unit:	\$174,588

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
JP Morgan Chase: Tax-Exempt	\$7,158,111	JP Morgan Chase: Tax-Exempt	\$3,677,000
JP Morgan Chase: Taxable	\$3,580,369	Seller Carryback	\$9,228,660
Seller Carryback	\$9,228,660	San Mateo Co. ¹ : HOME Recast	\$1,771,340
San Mateo Co. ¹ : HOME Recast	\$1,771,340	Deferred Developer Fee	\$1,400,945
Deferred Costs	\$1,332,482	Tax Credit Equity	\$9,699,000
Deferred Developer Fee	\$1,400,945	TOTAL	\$25,776,945
Tax Credit Equity	\$1,305,038		

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

¹San Mateo County

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$12,191,115
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$11,582,800
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$15,848,450
Qualified Basis (Acquisition):	\$11,582,800
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$633,938
Maximum Annual Federal Credit, Acquisition:	\$463,312
Total Maximum Annual Federal Credit:	\$1,097,250
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,100,945
Federal Tax Credit Factor:	\$0.88394

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

The reservation of tax credits is contingent upon verification of the rental subsidy annual amount, number of units receiving assistance, term, and expiration date by the bond issuance deadline.

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	14
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	104

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: 251.269%