

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

Sierra Azul Apartments, located at in Lancaster on a 11.44 acre site, requested and is being recommended for a reservation of \$5,453,295 in annual federal tax credits and \$32,000,000 of tax-exempt bond cap to finance the new construction of 228 units of housing, consisting of 226 restricted rental units and 2 unrestricted manager's units. The project will have 24 one-bedroom units, 120 two-bedroom units, and 84 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 May 2028. The project will be developed by Pacific West Communities, Inc. and will be located in Senate District 23 and Assembly District 39.

Project Number CA-25-744

Project Name Sierra Azul Apartments
 Site Address: North East Corner of 15th Street West & West Avenue K-8
 Lancaster, CA 93534
 County: Los Angeles
 Census Tract: 9007.05

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$5,453,295	\$0
Recommended:	\$5,453,295	\$0
Tax-Exempt Bond Allocation		
Recommended:	\$32,000,000	

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor: Lancaster Pacific Associates, LP
 Contact: Caleb Roope
 Address: 430 East State Street, Suite 100
 Eagle, ID 83616
 Phone: 208.461.0022
 Email: calebr@tpchousing.com

Bond Financing Information

CDLAC Applicant/Bond Issuer: California Municipal Finance Authority (CMFA)
 Bond Counsel: Orrick, Herrington & Sutcliffe LLP
 Private Placement Purchaser: Citibank, N.A.

Development Team

General Partners / Principal Owners: Central Valley Coalition for Affordable Housing
 TPC Holdings IX, LLC
 General Partner Type: Joint Venture
 Parent Companies: Central Valley Coalition for Affordable Housing
 The Pacific Companies
 Developer: Pacific West Communities, Inc.
 Investor/Consultant: Boston Financial
 Management Agent: ConAm Management Corporation

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	11
Total # of Units:	228
No. / % of Low Income Units:	226 100.00%
Average Targeted Affordability:	59.96%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt

Information

Housing Type:	Large Family
Geographic Area:	Balance of Los Angeles County
State Ceiling Pool:	New Construction
CDLAC Project Analyst:	Jake Salle
CTCAC Project Analyst:	Chris Saenz

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	23	10%
50% AMI:	23	10%
60% AMI:	89	39%
70% AMI*:	91	40%

*CTCAC restricted only

Unit Mix

24	1-Bedroom Units
120	2-Bedroom Units
84	3-Bedroom Units
<u>228</u>	<u>Total Units</u>

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
12 1 Bedroom	30%	\$852
6 1 Bedroom	50%	\$1,420
1 1 Bedroom	60%	\$1,704
5 1 Bedroom	70%	\$1,988
10 2 Bedrooms	30%	\$1,022
15 2 Bedrooms	50%	\$1,703
48 2 Bedrooms	60%	\$2,044
45 2 Bedrooms	70%	\$2,297
1 3 Bedrooms	30%	\$1,181
2 3 Bedrooms	50%	\$1,969
40 3 Bedrooms	60%	\$2,363
41 3 Bedrooms	70%	\$2,557
2 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,703,565
Construction Costs	\$70,129,024
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$3,600,000
Soft Cost Contingency	\$850,000
Relocation	\$0
Architectural/Engineering	\$1,090,000
Const. Interest, Perm. Financing	\$9,047,300
Legal Fees	\$180,000
Reserves	\$1,922,210
Other Costs	\$6,264,171
Developer Fee	\$13,678,833
Commercial Costs	\$0
Total	\$110,465,103

Residential

Construction Cost Per Square Foot:	\$347
Per Unit Cost:	\$484,496
Estimated Hard Per Unit Cost:	\$265,959
True Cash Per Unit Cost*:	\$447,423
Bond Allocation Per Unit:	\$140,351
Bond Allocation Per Restricted Rental Unit:	\$237,037

Construction Financing

Source	Amount
Citibank: Tax-Exempt	\$32,000,000
Citibank: Taxable	\$44,892,804
Bonneville: Tax-Exempt	\$13,500,000
Deferred Costs	\$1,922,210
Deferred Developer Fee	\$13,678,833
Tax Credit Equity	\$4,471,256

Permanent Financing

Source	Amount
Citibank: Tax-Exempt	\$43,800,000
Bonneville: Tax-Exempt	\$13,500,000
Deferred Developer Fee	\$8,452,556
Tax Credit Equity	\$44,712,547
TOTAL	\$110,465,103

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$104,871,053
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$136,332,369
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$5,453,295
Approved Developer Fee (in Project Cost & Eligible Basis):	\$13,678,833
Federal Tax Credit Factor:	\$0.81992

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: 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: 198.668%