

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

Apple Valley Scattered Sites, located at two sites (see below) in Sonoma County on a total of 8.5 acres, requested and is being recommended for a reservation of \$3,230,298 in annual federal tax credits and \$22,872,490 of tax-exempt bond cap to finance the acquisition & rehabilitation of 232 units of housing, consisting of 228 restricted rental units and 4 unrestricted manager's units. The project has 12 studio units, 25 one-bedroom units, 144 two-bedroom units, 49 three-bedroom units, and 2 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 Burbank Housing Development Corporation and is located in Senate District 2 and Assembly District 2.

Apple Valley Scattered Sites is a resyndication of three existing Low Income Housing Tax Credit (LIHTC) projects, Olive Grove (CA-2004-871), Papago Court / Apple Valley Apartments (CA-1999-886) and Paulin Creek Apartments (CA-2000-849). Papago Court / Apple Valley Apartments and Paulin Creek are combined into a single site, referred to below as Site 1. See Resyndication and Resyndication Transfer Event below for additional information. The project financing includes state funding from the Multifamily Housing Program (MHP) and Joe Serna, Jr., Farmworker Housing Grant (FWHG) programs of HCD.

Project Number	CA-25-753	
Project Name	Apple Valley Scattered Sites	
Site Addresses:	Site 1: 2459 and 2501 West Steele Lane, 2820 Papago Court, and 2808, 2809, 2812, 2813, 2816, 2820, 2824, 2828, 2833, 2841, 2852, 2860, 2862, 2870 Apple Valley Lane Santa Rosa, CA 95403 County: Sonoma Census Tract: 0609.71	Site 2: 1945 Zinfandel Avenue Santa Rosa, CA 95401 County: Sonoma Census Tract: 0609.71

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$3,230,298	\$0
Recommended:	\$3,230,298	\$0

Tax-Exempt Bond Allocation	
Recommended:	\$22,872,490

CTCAC Applicant Information	
CTCAC Applicant/CDLAC Sponsor:	Apple Valley Olive Grove, L.P.
Contact:	Jocelyn Lin
Address:	1425 Corporate Center Parkway Santa Rosa, CA 94507
Phone:	707-303-0590
Email:	jlin@burbankhousing.com

Bond Financing Information

CDLAC Applicant/Bond Issuer:	California Municipal Finance Authority
Bond Counsel:	Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser:	JPMorgan Chase Bank, NA

Development Team

General Partner / Principal Owner:	BHDC Apple Valley LLC
General Partner Type:	Nonprofit
Parent Company:	Burbank Housing Development Corporation
Developer:	Burbank Housing Development Corporation
Investor/Consultant:	California Housing Partnership Corporation
Management Agent:	Burbank Housing Management Corporation

Project Information

Construction Type:	Acquisition & Rehabilitation	
Total # Residential Buildings:	36	
Total # of Units:	232	
No. / % of Low Income Units:	228	100.00%
Average Targeted Affordability:	50.72%	
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt	

Information

Housing Type:	Non-Targeted
Geographic Area:	Coastal Region
CDLAC Project Analyst:	Anthony Wey
CTCAC Project Analyst:	Sopida Steinwert

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	48	21%
35% AMI:	1	0%
40% AMI:	1	0%
50% AMI:	63	28%
60% AMI:	115	50%

Unit Mix

12	SRO/Studio Units
25	1-Bedroom Units
144	2-Bedroom Units
49	3-Bedroom Units
2	4-Bedroom Units
<hr/>	
232	Total Units

Unit Type & Number	2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
3 2 Bedrooms	30%	\$754
1 2 Bedrooms	35%	\$988
14 2 Bedrooms	50%	\$1,352
26 2 Bedrooms	60%	\$1,565
3 3 Bedrooms	60%	\$1,567
9 2 Bedrooms	50%	\$1,367
2 3 Bedrooms	50%	\$1,423
21 2 Bedrooms	60%	\$1,603
1 3 Bedrooms	60%	\$2,355
2 4 Bedrooms	60%	\$1,981
5 2 Bedrooms	60%	\$1,591
7 2 Bedrooms	50%	\$1,366
8 2 Bedrooms	60%	\$1,596
10 SRO/Studio	30%	\$607
21 1 Bedroom	30%	\$645
14 2 Bedrooms	30%	\$878
1 3 Bedrooms	40%	\$1,308
2 SRO/Studio	50%	\$944
4 1 Bedroom	50%	\$1,013
19 2 Bedrooms	50%	\$1,472
6 3 Bedrooms	50%	\$1,637
17 2 Bedrooms	60%	\$1,679
32 3 Bedrooms	60%	\$2,005
1 3 Bedrooms	Manager's Unit	\$0
1 3 Bedrooms	Manager's Unit	\$0
2 3 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$42,200,000
Construction Costs	\$0
Rehabilitation Costs	\$22,562,724
Construction Hard Cost Contingency	\$3,384,409
Soft Cost Contingency	\$534,887
Relocation	\$974,006
Architectural/Engineering	\$867,000
Const. Interest, Perm. Financing	\$3,477,862
Legal Fees	\$160,000
Reserves	\$1,057,627
Other Costs	\$4,038,389
Developer Fee	\$6,940,849
Commercial Costs	\$0
Total	\$86,197,753

Residential

Construction Cost Per Square Foot:	\$106
Per Unit Cost:	\$371,542
Estimated Hard Per Unit Cost:	\$86,065
True Cash Per Unit Cost*:	\$331,233
Bond Allocation Per Unit:	\$98,588
Bond Allocation Per Restricted Rental Unit:	\$100,318

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Chase: Tax-Exempt	\$22,872,490	Chase: Tax-Exempt	\$10,762,000
Chase: Recycled Tax-Exempt	\$6,895,820	BHDC ¹	\$1,348,746
Chase: Taxable	\$4,271,746	Seller Carryback	\$5,896,765
BHDC ¹	\$1,348,746	HCD: MHP and FWHG	\$10,400,970
Seller Carryback	\$5,896,765	Housing Authority of Santa Rosa	\$20,128,213
HCD: MHP and FWHG	\$10,400,970	Net Operating Income	\$742,379
Housing Authority of Santa Rosa	\$20,128,213	Acquired Reserves	\$1,125,768
Deferred Costs	\$4,188,124	Accrued Interest	\$2,832,448
Acquired Reserves	\$1,125,768	Deferred Developer Fee	\$3,454,852
Accrued Interest	\$2,832,448	Tax Credit Equity	\$29,505,612
Deferred Developer Fee	\$3,454,852	TOTAL	\$86,197,753
Tax Credit Equity	\$2,781,811		

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

¹Burbank Housing Development Corporation

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$37,375,224
130% High Cost Adjustment:	No
Requested Eligible Basis (Acquisition):	\$43,382,228
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$37,375,224
Qualified Basis (Acquisition):	\$43,382,228
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,495,009
Maximum Annual Federal Credit, Acquisition:	\$1,735,289
Total Maximum Annual Federal Credit:	\$3,230,298
Approved Developer Fee (in Project Cost & Eligible Basis):	\$6,940,849
Federal Tax Credit Factor:	\$0.91340

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

Apple Valley Scattered Sites is a scattered-site acquisition and rehabilitation project that includes 232 units in 4 existing properties in the city of Santa Rosa. Each property will retain their respective sets of USDA utility allowances.

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 Agreements (CA-2004-871, CA-1999-886, and CA-2000-849). 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 Agreements (CA-2004-871, CA-1999-886, and CA-2000-849) 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: 349.751%