

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

Clara Gardens, located at 3550 El Camino Real in Santa Clara on a 1.12 acre site, requested and is being recommended for a reservation of \$5,147,401 in annual federal tax credits and \$31,564,205 of tax-exempt bond cap to finance the new construction & adaptive reuse of 120 units of housing, consisting of 119 restricted rental units and 1 unrestricted manager's unit. The project will have 40 studio units, 16 one-bedroom units, 34 two-bedroom units, and 30 three-bedroom units, serving families with rents affordable to households earning 30%-50% of area median income (AMI). The rehabilitation is expected to begin in May 2026 and be completed in February 2028. The project will be developed by Resources for Community Development and will be located in Senate District 10 and Assembly District 26.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Multifamily Housing Program (MHP) of HCD.

Project Number CA-25-760

Project Name Clara Gardens
Site Address: 3550 El Camino Real
Santa Clara, CA 95051
County: Santa Clara
Census Tract: 5401

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$5,147,401	\$0
Recommended:	\$5,147,401	\$0

Tax-Exempt Bond Allocation
Recommended: \$31,564,205

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Clara Gardens, L.P.
Contact: Daniel Sawislak
Address: 2220 Oxford Street
Berkeley, CA 94704
Phone: 510-841-4410
Email: dsawislak@rcdhousing.org

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

Development Team

General Partner / Principal Owner:	RCD GP II, LLC
General Partner Type:	Nonprofit
Parent Company:	Resources for Community Development
Developer:	Resources for Community Development
Investor/Consultant:	California Housing Partnership
Management Agent:	The John Stewart Company

Project Information

Construction Type:	New Construction & Adaptive Reuse	
Total # Residential Buildings:	2	
Total # of Units:	120	
No. / % of Low Income Units:	119	100.00%
Average Targeted Affordability:	39.75%	
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (30 Units - 25%)	

Information

Housing Type:	Large Family
Geographic Area:	Bay Area Region
State Ceiling Pool:	New Construction
Set Aside:	Homeless Set Aside
Homeless Set Aside Units:	30
CDLAC Project Analyst:	Jake Salle
CTCAC Project Analyst:	Gloria Witherow

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	59	50%
40% AMI:	4	3%
50% AMI:	56	47%

Unit Mix

40	SRO/Studio Units
16	1-Bedroom Units
34	2-Bedroom Units
30	3-Bedroom Units
120	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
5 SRO/Studio	30%	\$1,055
8 1 Bedroom	30%	\$1,130
26 SRO/Studio	30%	\$1,055
4 SRO/Studio	40%	\$1,407
2 SRO/Studio	30%	\$1,055
7 1 Bedroom	30%	\$1,130
8 2 Bedrooms	30%	\$1,356
3 3 Bedrooms	30%	\$1,567
3 SRO/Studio	50%	\$1,758
1 1 Bedroom	50%	\$1,884
25 2 Bedrooms	50%	\$2,261
27 3 Bedrooms	50%	\$2,611
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$5,005,585
Construction Costs	\$61,090,006
Rehabilitation Costs	\$11,538,640
Construction Hard Cost Contingency	\$4,860,198
Soft Cost Contingency	\$804,678
Relocation	\$0
Architectural/Engineering	\$2,596,119
Const. Interest, Perm. Financing	\$10,104,685
Legal Fees	\$153,037
Reserves	\$911,827
Other Costs	\$7,038,144
Developer Fee	\$6,000,000
Commercial Costs	\$1,585,906
Total	\$111,688,825

Residential

Construction Cost Per Square Foot:	\$588
Per Unit Cost:	\$916,891
Estimated Hard Per Unit Cost:	\$563,369
True Cash Per Unit Cost*:	\$855,321
Bond Allocation Per Unit:	\$263,035
Bond Allocation Per Restricted Rental Unit:	\$265,245

Construction Financing

<u>Source</u>	<u>Amount</u>
Chase: Tax-Exempt	\$31,564,205
Chase: Taxable	\$47,178,160
Seller Carryback	\$4,000,000
Santa Clara County	\$18,155,691
Deferred Costs	\$3,363,937
Deferred Developer Fee	\$3,500,000
LP Equity	\$3,926,832

Permanent Financing

<u>Source</u>	<u>Amount</u>
Chase: Tax-Exempt	\$6,889,000
Seller Carryback	\$4,000,000
Santa Clara County	\$18,155,691
HCD: MHP	\$37,900,318
Deferred Developer Fee	\$3,500,000
Tax Credit Equity	\$41,243,816
TOTAL	\$111,688,825

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$98,988,481
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$128,685,025
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$5,147,401
Approved Developer Fee in Project Cost:	\$6,000,000
Approved Developer Fee in Eligible Basis:	\$5,924,006
Federal Tax Credit Factor:	\$0.80126

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	10
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	120

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: 265.064%