

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

Studio 15 II, located at 1475 Imperial Avenue in San Diego on a 0.63 acre site, requested and is being recommended for a reservation of \$2,731,721 in annual federal tax credits and \$18,292,782 of tax-exempt bond cap to finance the acquisition & rehabilitation of 274 units of housing, consisting of 272 restricted rental units and 2 unrestricted manager's units. The project has 272 studio units, 2 one-bedroom units, serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in June 2026 and be completed in November 2027. The project will be developed by Affirmed Housing Group, Inc. and is located in Senate District 39 and Assembly District 77.

Studio 15 II is a resyndication of an existing Low Income Housing Tax Credit (LIHTC) project, (CA-2006-878). See Resyndication and Resyndication Transfer Event below for additional information.

Project Number CA-25-774

Project Name Studio 15 II
Site Address: 1475 Imperial Avenue
San Diego, CA 92101
Census Tract: 51.03

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,731,721	\$0
Recommended:	\$2,731,721	\$0

Tax-Exempt Bond Allocation
Recommended: \$18,292,782

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Studio 15 II, L.P.
Contact: James Silverwood
Address: 13520 Evening Creek Drive North, Suite 160
San Diego, CA 92128
Phone: 858.679.2828
Email: james@affirmedhousing.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: CalHFA
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citibank, N.A.

Development Team
General Partners / Principal Owners: AHG Studio 15 II, LLC
CFAH Housing, LLC
General Partner Type: Joint Venture
Parent Companies: Affirmed Housing Group, Inc.
Compass for Affordable Housing
Developer: Affirmed Housing Group, Inc.
Investor/Consultant: Boston Financial
Management Agent: CONAM Management Corporation

Project Information

Construction Type:	Acquisition & Rehabilitation	
Total # Residential Buildings:	1	
Total # of Units:	274	
No. / % of Low Income Units:	272	100.00%
Average Targeted Affordability:	51.54%	
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:	Cynthia Compton

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	28	10%
50% AMI:	146	54%
60% AMI:	98	36%

Unit Mix

272	SRO/Studio Units
2	1-Bedroom Units
274	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
28 SRO/Studio	30%	\$724
146 SRO/Studio	50%	\$1,079
98 SRO/Studio	60%	\$1,167
2 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$31,904,165
Construction Costs	\$0
Rehabilitation Costs	\$19,109,523
Construction Hard Cost Contingency	\$1,323,000
Soft Cost Contingency	\$329,639
Relocation	\$500,000
Architectural/Engineering	\$637,305
Const. Interest, Perm. Financing	\$4,205,676
Legal Fees	\$300,000
Reserves	\$728,000
Other Costs	\$1,239,809
Developer Fee	\$5,348,583
Commercial Costs	\$0
Total	\$65,625,700

Residential

Construction Cost Per Square Foot:	\$251
Per Unit Cost:	\$239,510
Estimated Hard Per Unit Cost:	\$60,246
True Cash Per Unit Cost*:	\$232,398
Bond Allocation Per Unit:	\$66,762
Bond Allocation Per Restricted Rental Unit:	\$67,253

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Citibank: Tax-Exempt	\$18,292,782	Citibank: Tax-Exempt	\$12,571,375
Citibank: Recycled Tax-Exempt	\$6,000,000	City of San Diego	\$17,397,000
Citibank: Taxable	\$6,652,600	Net Operating Income	\$1,094,623
City of San Diego	\$17,397,000	Accrued Interest	\$8,565,819
Accrued Interest	\$8,565,819	Deferred Developer Fee	\$1,948,639
Net Operating Expense	\$1,094,623	Tax Credit Equity	\$24,048,244
Deferred Costs	\$4,807,066	TOTAL	\$65,625,700
Tax Credit Equity	\$2,815,810		

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$30,051,911
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$30,004,156
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$39,067,484
Qualified Basis (Acquisition):	\$30,004,156
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,531,555
Maximum Annual Federal Credit, Acquisition:	\$1,200,166
Total Maximum Annual Federal Credit:	\$2,731,721
Federal Tax Credit Factor:	\$0.88033

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

Per CTCAC Regulation Section 10325(f)(7)(J), the project has committed to employ one on-site full-time property management staff and provide an equivalent number of desk or security staff capable of responding to emergencies for the hours when property management staff is not working, in lieu of a third on-site manager's unit. All staff or contractors performing desk or security work shall be knowledgeable of how the property's fire system operates and be trained in, and have participated in, fire evacuation drills for tenants. CTCAC reserves the right to require that one or more on-site managers' units be provided and occupied by property management staff if, in its sole discretion, it determines as part of any on-site inspection that the project has not been adequately operated and/or maintained.

This Non-Targeted project consisting of SRO units without a significant project-based public rental subsidy requested and was granted a waiver to use 10% vacancy rate.

A waiver has been granted to reduce the total number of units and Low-Income units from the original regulatory agreement in order to provide a second one-bedroom staff unit.

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 Agreement (CA-2006-878). 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 agreement (CA-2006-878) 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 resyndication 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	7
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	109

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: 307.818%