

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

The project, 16th & Island Apartments, located at 1625 Island Avenue in San Diego on a 0.24 acre site, requested and is being recommended for a reservation of \$1,915,679 in annual federal tax credits, \$5,671,443 in total state tax credits, and \$10,600,000 of tax-exempt bond cap to finance the new construction of 123 units of housing, consisting of 122 restricted rental units and 1 unrestricted manager's unit. The project will have 69 studio units, 53 one-bedroom units, and 1 two-bedroom unit, 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 September 2027. The project will be developed by S.V.D.P. Management, Inc. and will be located in Senate District 39 and Assembly District 77.

Project Number CA-25-778

Project Name 16th & Island Apartments
Site Address: 1625 Island Avenue
San Diego, CA 92101
County: San Diego
Census Tract: 51.01

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,915,679	\$5,671,443
Recommended:	\$1,915,679	\$5,671,443

* The applicant made an election to sell (Certificate) all or any portion of the state credits.

Tax-Exempt Bond Allocation
Recommended: \$10,600,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: 16th & Island, LP
Contact: Jodi Rothery
Address: 3350 E Street
San Diego, CA 92102
Phone: 858-444-6915
Email: jodi.rothery.c@neighbor.org

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Housing Finance Agency
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citi Community Capital

Development Team
General Partners / Principal Owners: 16th & Island, LLC
General Partner Type: Nonprofit
Parent Company: S.V.D.P. Management, Inc.
Developer: S.V.D.P. Management, Inc.
Investor/Consultant: Raymond James
Management Agent: Royal Property Management Group, Inc.

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	1	
Total # of Units:	123	
No. / % of Low Income Units:	122	100.00%
Average Targeted Affordability:	55.74%	
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt	

Information

Housing Type:	Non-Targeted
Geographic Area:	Coastal Region
State Ceiling Pool:	New Construction
CDLAC Project Analyst:	Erin DeBlaquiere
CTCAC Project Analyst:	Michael Couzens

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	13	11%
50% AMI:	13	11%
60% AMI:	96	79%

Unit Mix

69	SRO/Studio Units
53	1-Bedroom Units
1	2-Bedroom Units
123	<u>Total Units</u>

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
8 SRO/Studio	30%	\$868
5 1 Bedroom	30%	\$930
8 SRO/Studio	50%	\$1,447
5 1 Bedroom	50%	\$1,550
53 SRO/Studio	60%	\$1,737
43 1 Bedroom	60%	\$1,860
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$100,001
Construction Costs	\$24,040,000
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,202,000
Soft Cost Contingency	\$131,042
Relocation	\$0
Architectural/Engineering	\$3,022,975
Const. Interest, Perm. Financing	\$3,039,030
Legal Fees	\$410,000
Reserves	\$518,585
Other Costs	\$1,673,906
Developer Fee	\$4,805,215
Commercial Costs	\$0
Total	\$38,942,754

Residential

Construction Cost Per Square Foot:	\$314
Per Unit Cost:	\$316,608
Estimated Hard Per Unit Cost:	\$162,602
True Cash Per Unit Cost*:	\$286,338
Bond Allocation Per Unit:	\$86,179
Bond Allocation Per Restricted Rental Unit:	\$86,885

Construction Financing

Source	Amount
Citibank: Tax-Exempt	\$10,600,000
Citibank: Recycled Tax-Exempt	\$3,710,000
Citibank: Taxable	\$13,241,669
Deferred Developer Fee	\$3,723,224
Tax Credit Equity	\$7,667,861

Permanent Financing

Source	Amount
Citibank: Tax-Exempt	\$14,778,379
Deferred Developer Fee	\$3,723,224
Solar Tax Credit Equity	\$82,000
Tax Credit Equity	\$20,359,151
TOTAL	\$38,942,754

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$36,839,984
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$47,891,979
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,915,679
Total State Credit:	\$5,671,443
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,805,215
Federal Tax Credit Factor:	\$0.82000
State Tax Credit Factor:	\$0.82000

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: 185.709%