

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

Spring Street Trolley Station, located at 4250 Spring Street in La Mesa on a 3.61 acre site, requested and is being recommended for a reservation of \$4,091,748 in annual federal tax credits, \$19,669,705 in total state tax credits, and \$29,253,529 of tax-exempt bond cap to finance the new construction of 147 units of housing, consisting of 145 restricted rental units and 2 unrestricted manager's units. The project will have 24 studio units, 38 one-bedroom units, 43 two-bedroom units, and 42 three-bedroom units, serving families 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 May 2028. The project will be developed by Affirmed Housing Group, Inc. and will be located in Senate District 39 and Assembly District 79.

The project will be receiving rental assistance in the form of HUD Veterans Affairs Supportive Housing (VASH) Vouchers and HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Infill Infrastructure Grant (IIG) program of HCD.

**Project Number** CA-25-779

**Project Name** Spring Street Trolley Station  
 Site Address: 4250 Spring Street  
 La Mesa, CA 91941  
 County: San Diego  
 Census Tract: 0146.02

| <b>Tax Credit Amounts</b> | <b>Federal/Annual</b> | <b>State/Total *</b> |
|---------------------------|-----------------------|----------------------|
| Requested:                | \$4,091,748           | \$19,669,705         |
| Recommended:              | \$4,091,748           | \$19,669,705         |

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

**Tax-Exempt Bond Allocation**  
 Recommended: \$29,253,529

**CTCAC Applicant Information**  
 CTCAC Applicant/CDLAC Sponsor: Compass for Affordable Housing  
 Contact: Robin Martinez  
 Address: 13520 Evening Creek Drive North, Suite 560  
 San Diego, CA 92128  
 Phone: (858) 386-7211  
 Email: robin@compassfah.org

**Bond Financing Information**  
 CDLAC Applicant/Bond Issuer: CMFA  
 Bond Counsel: Jones Hall, A Professional Law Corporation  
 Private Placement Purchaser: Citibank, N.A.  
 Public Sale: Credit Enhanced  
 Underwriter: Lument Securities, LLC  
 Credit Enhancement Provider: Lument

**Development Team**

|                                      |  |
|--------------------------------------|--|
| General Partners / Principal Owners: | AHG Spring Street LLC<br>CFAH Housing LLC                      |
| General Partner Type:                | Joint Venture  |
| Parent Companies:                    | Affirmed Housing Group, Inc.<br>Compass for Affordable Housing |
| Developer:                           | Affirmed Housing Group, Inc.                                   |
| Investor/Consultant:                 | WNC & Associates   |
| Management Agent:                    | CONAM Management Corporation                                   |

**Project Information**

|                                 |   |
|---------------------------------|---|
| Construction Type:              | New Construction  |
| Total # Residential Buildings:  | 2   |
| Total # of Units:               | 147   |
| No. / % of Low Income Units:    | 145                      100.00%  |
| Average Targeted Affordability: | 48.48%  |
| Federal Set-Aside Elected:      | 40%/60%   |
| Federal Subsidy:                | Tax-Exempt / HUD Veteran Affairs Supportive Housing (VASH) Project-based Vouchers (4 Units - 3%) / HUD Section 8 Project-based Vouchers (36 Units - 24%) / HOME |

**Information**

|                        |   |
|------------------------|---|
| Housing Type:          | Large Family                            |
| Geographic Area:       | Coastal Region                          |
| State Ceiling Pool:    | New Construction                        |
| Set Aside:             | Extremely Low/Very Low Income Set Aside |
| CDLAC Project Analyst: | Jake Salle                              |
| 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:                   | 40                     | 28%                                   |
| 50% AMI:                   | 47                     | 32%                                   |
| 60% AMI:                   | 58                     | 40%                                   |

**Unit Mix**

|     |                  |
|-----|------------------|
| 24  | SRO/Studio Units |
| 38  | 1-Bedroom Units  |
| 43  | 2-Bedroom Units  |
| 42  | 3-Bedroom Units  |
| 147 | Total Units      |

| <b>Unit Type<br/>&amp; Number</b> | <b>2025 Rents Targeted %<br/>of Area Median Income</b> | <b>Proposed Rent<br/>(including utilities)</b> |
|-----------------------------------|--|--|
| 7 SRO/Studio                      | 30%  | \$868  |
| 2 SRO/Studio                      | 30%  | \$868  |
| 15 SRO/Studio                     | 50%  | \$1,447  |
| 12 1 Bedroom                      | 30%  | \$930  |
| 2 1 Bedroom                       | 30%  | \$930  |
| 12 1 Bedroom                      | 50%  | \$1,550  |
| 12 1 Bedroom                      | 60%  | \$1,860  |
| 10 2 Bedrooms                     | 30%  | \$1,116  |
| 16 2 Bedrooms                     | 50%  | \$1,861  |
| 16 2 Bedrooms                     | 60%  | \$2,233  |
| 7 3 Bedrooms                      | 30%  | \$1,290  |
| 4 3 Bedrooms                      | 50%  | \$2,150  |
| 30 3 Bedrooms                     | 60%  | \$2,580  |
| 1 2 Bedrooms                      | Manager's Unit   | \$0  |
| 1 3 Bedrooms                      | Manager's Unit   | \$0  |

**Project Cost Summary at Application**

|                                    |                      |
|------------------------------------|----------------------|
| Land and Acquisition               | \$103,001            |
| Construction Costs                 | \$73,935,373         |
| Rehabilitation Costs               | \$0                  |
| Construction Hard Cost Contingency | \$5,175,476          |
| Soft Cost Contingency              | \$813,399            |
| Relocation                         | \$0                  |
| Architectural/Engineering          | \$2,850,000          |
| Const. Interest, Perm. Financing   | \$11,612,463         |
| Legal Fees                         | \$390,000            |
| Reserves                           | \$757,000            |
| Other Costs                        | \$2,310,187          |
| Developer Fee                      | \$8,000,000          |
| Commercial Costs                   | \$0                  |
| <b>Total</b>                       | <b>\$105,946,899</b> |

## Residential

|   |           |
|---|-----------|
| Construction Cost Per Square Foot:          | \$637     |
| Per Unit Cost:                              | \$720,727 |
| Estimated Hard Per Unit Cost:               | \$441,247 |
| True Cash Per Unit Cost*:                   | \$702,913 |
| Bond Allocation Per Unit:                   | \$199,004 |
| Bond Allocation Per Restricted Rental Unit: | \$201,748 |

| Construction Financing        |              | Permanent Financing           |                      |
|-------------------------------|--------------|-------------------------------|----------------------|
| Source                        | Amount       | Source                        | Amount               |
| Citibank: Tax-Exempt          | \$23,253,529 | Lument: Tax-Exempt            | \$28,154,904         |
| Lument: Tax-Exempt, Tranche B | \$6,000,000  | Lument: Tax-Exempt, Tranche B | \$6,000,000          |
| Citibank: Taxable             | \$43,976,401 | HCD: IIG                      | \$6,811,172          |
| HCD: IIG                      | \$6,130,055  | County of San Diego: HOME     | \$8,574,731          |
| County of San Diego: HOME     | \$7,717,258  | Lument: Bond Interest         | \$1,522,463          |
| Lument: Bond Interest         | \$1,522,463  | Lument: Net Investment Income | \$523,582            |
| Deferred Costs                | \$163,897    | Deferred Developer Fee        | \$2,618,648          |
| Tax Credit Equity             | \$17,183,296 | Tax Credit Equity             | \$51,741,399         |
|                               |              | <b>TOTAL</b>                  | <b>\$105,946,899</b> |

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

### Determination of Credit Amount(s)

|  |               |
|--|---------------|
| Requested Eligible Basis:                                  | \$102,293,700 |
| 130% High Cost Adjustment:                                 | No            |
| Applicable Fraction:                                       | 100.00%       |
| Qualified Basis:   | \$102,293,700 |
| Applicable Rate:   | 4.00%         |
| Total Maximum Annual Federal Credit:                       | \$4,091,748   |
| Total State Credit:  | \$19,669,705  |
| Approved Developer Fee (in Project Cost & Eligible Basis): | \$8,000,000   |
| Federal Tax Credit Factor:                                 | \$0.84150     |
| State Tax Credit Factor:                                   | \$0.88000     |

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

Projects with subsidies from HUD are required to use Utility Allowances (UAs) approved by HUD. The applicant's use of the CUAC for Spring Street Trolley Station (CA-25-779) is subject to approval by HUD.

**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).

| <b>Point Criteria</b>                                    | <b>New Const. Max. Points</b> | <b>Rehabilitation Max. Points</b> | <b>Points Scored</b> |
|--|-------------------------------|-----------------------------------|----------------------|
| 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                    |
| <b>Total Points</b>                                      | 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:** 138.624%