

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

City Towers, located at two sites (see below) in Alameda County on a total of 2.54 acres, requested and is being recommended for a reservation of \$4,327,491 in annual federal tax credits and \$27,000,000 of tax-exempt bond cap to finance the acquisition & rehabilitation of 231 units of housing, consisting of 229 restricted rental units and 2 unrestricted manager's units. The project has 33 studio units, 66 one-bedroom units, and 132 two-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 December 2027. The project will be developed by Related Affordable, LLC and is located in Senate District 7 and Assembly District 18.

City Towers is a resyndication of an existing Low Income Housing Tax Credit (LIHTC) project, City Towers (CA-2003-864). See Resyndication and Resyndication Transfer Event below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-25-790

Project Name City Towers

Site Addresses:	Site 1: 1065 8th Street and 1050 7th Street Oakland, CA 94607 County: Alameda Census Tract: 0600.14	Site 2: 725 Market Street Oakland, CA 94607 County: Alameda Census Tract: 0600.14
------------------------	--	--

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$4,327,491	\$0
Recommended:	\$4,327,491	\$0

Tax-Exempt Bond Allocation
 Recommended: \$27,000,000

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor:	CT Housing Preservation, LP
Contact:	Wes Larmore
Address:	30 Hudson Yards New York, NY 10001
Phone:	310-359-0050
Email:	wlarmore@related.com

Bond Financing Information

CDLAC Applicant/Bond Issuer:	California Municipal Finance Authority
Bond Counsel:	Jones Hall, A Professional Law Corporation
Public Sale:	Credit Enhanced
Underwriter:	Jefferies LLC
Credit Enhancement Provider:	Capital One

Development Team

General Partners / Principal Owners:	Rainbow Housing Assistance Corporation Related Affordable SPE
General Partner Type:	Joint Venture
Parent Companies:	Rainbow Housing Related Affordable
Developer:	Related Affordable, LLC
Investor/Consultant:	Hudson Housing
Management Agent:	RA Management, LLC

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	3
Total # of Units:	231
No. / % of Low Income Units:	229 100.00%
Average Targeted Affordability:	44.93%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (231 Units - 100%)

Information

Housing Type:	Non-Targeted
Geographic Area:	Bay Area Region
CDLAC Project Analyst:	Daisy Andrade
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:	115	50%
60% AMI:	114	50%

Unit Mix

33	SRO/Studio Units
66	1-Bedroom Units
132	2-Bedroom Units
231	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
17 SRO/Studio	30%	\$839
16 SRO/Studio	60%	\$1,678
33 1 Bedroom	30%	\$898
33 1 Bedroom	60%	\$1,797
65 2 Bedrooms	30%	\$1,078
65 2 Bedrooms	60%	\$2,157
1 2 Bedrooms	Manager's Unit	\$0
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$36,000,000
Construction Costs	\$0
Rehabilitation Costs	\$34,797,540
Construction Hard Cost Contingency	\$3,449,754
Soft Cost Contingency	\$433,596
Relocation	\$1,732,500
Architectural/Engineering	\$472,500
Const. Interest, Perm. Financing	\$5,559,361
Legal Fees	\$485,000
Reserves	\$2,553,183
Other Costs	\$2,533,875
Developer Fee	\$8,860,719
Commercial Costs	\$0
Total	\$96,878,028

Residential

Construction Cost Per Square Foot:	\$133
Per Unit Cost:	\$419,385
Estimated Hard Per Unit Cost:	\$131,000
True Cash Per Unit Cost*:	\$386,896
Bond Allocation Per Unit:	\$116,883
Bond Allocation Per Restricted Rental Unit:	\$117,904

Construction Financing

Source	Amount
Capital One: Tax-Exempt (T.E.)	\$27,000,000
Capital One: Recycled T.E.	\$20,000,000
CT Housing Preservation, LP	\$1,969,742
Net Operating Income	\$2,996,596
Deferred Developer Fee	\$9,472,927
Tax Credit Equity	\$35,438,763

Permanent Financing

Source	Amount
Capital One: Tax-Exempt	\$27,000,000
Capital One: Recycled Tax-Exempt	\$20,000,000
Net Operating Income	\$2,996,596
Deferred Developer Fee	\$7,505,029
Tax Credit Equity	\$39,376,403
TOTAL	\$96,878,028

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$54,121,129
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$37,830,282
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$70,357,468
Qualified Basis (Acquisition):	\$37,830,282
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$2,814,280
Maximum Annual Federal Credit, Acquisition:	\$1,513,211
Total Maximum Annual Federal Credit:	\$4,327,491
Approved Developer Fee (in Project Cost & Eligible Basis):	\$8,860,719
Federal Tax Credit Factor:	\$0.90991

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

The reservation of tax credits is contingent upon verification of the rental subsidy annual amount, number of units receiving assistance, term, and expiration date by the bond issuance deadline.

The applicant has requested, and been granted, a waiver under CTCAC Regulation Section 10325(f)(7). The Executive Director grants the request for a full waiver of the accessibility requirements for the City Towers project, as full compliance would be impractical. This approval is conditioned upon the waiver not conflicting with federal or state law, in which case the applicable federal or state law shall prevail. The project will meet the 4% audio and visual accessibility requirements.

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

This scattered-site project involves the rehabilitation of three twelve-story buildings, constructed in 1972 and last renovated in 2004, located on two non-contiguous parcels.

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-2003-864). 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-2003-864) 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 with distribution of Net Project Equity, which is otherwise required to set aside a Short Term Work Capitalized Reserve in the amount of \$1,155,000. In lieu of a Short Term Work Capitalized Reserve, there has been a reduction in purchase price from the appraisal, allowing the applicant to use Short Term Work Reserve Amount to fund rehabilitation expenses and to receive eligible basis for that amount.

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: 382.586%