

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

Napa Creek Manor, located at 1300 Jefferson Street in Napa on a 1.76 acre site, requested and is being recommended for a reservation of \$1,130,548 in annual federal tax credits and \$7,730,000 of tax-exempt bond cap to finance the acquisition & rehabilitation of 84 units of housing, consisting of 83 restricted rental units and 1 unrestricted manager's unit. The project has 84 one-bedroom units, serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in April 2026 and be completed in December 2026. The project will be developed by RAHD Group, LLC and is located in Senate District 3 and Assembly District 4.

**Project Number** CA-25-797

**Project Name** Napa Creek Manor  
Site Address: 1300 Jefferson Street  
Napa, CA 94559  
County: Napa  
Census Tract: 2002.02

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$1,130,548	\$0
Recommended:	\$1,130,548	\$0

**Tax-Exempt Bond Allocation**  
Recommended: \$7,730,000

**CTCAC Applicant Information**  
CTCAC Applicant/CDLAC Sponsor: Napa Creek Manor Housing Partners, LP  
Contact: David Beacham  
Address: 4142 Adams Avenue, Suite 103-250  
San Diego, CA 92116  
Phone: 760-579-2093  
Email: Dave@rahdgroup.com

**Bond Financing Information**  
CDLAC Applicant/Bond Issuer: California Housing Finance Authority  
Bond Counsel: Orrick, Herrington & Sutcliffe LLP  
Public Sale: Credit Enhanced  
Underwriter: Stifel Nicolaus & Company  
Credit Enhancement Provider: Berkadia Commercial Mortgage LLC

**Development Team**  
General Partners / Principal Owners: Hearthstone CA Properties V, LLC  
Napa Creek Manor Housing Management, LLC  
General Partner Type: Joint Venture  
Parent Companies: Hearthstone Housing Foundation  
Napa Creek Manor Housing Partners, LP  
Developer: RAHD Group, LLC  
Investor/Consultant: Candeur Group  
Management Agent: Arrowhead Housing Inc.

**Project Information**

Construction Type:	Acquisition & Rehabilitation	
Total # Residential Buildings:	1	
Total # of Units:	84	
No. / % of Low Income Units:	83	100.00%
Average Targeted Affordability:	45.18%	
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt	

**Information**

Housing Type:	Seniors
Geographic Area:	Coastal Region
State Ceiling Pool:	Other Rehabilitation
CDLAC Project Analyst:	Sarah Lester
CTCAC Project Analyst:	Sabrina Yang

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	41	49%
60% AMI:	42	51%

**Unit Mix**

84	1-Bedroom Units
<u>84</u>	<u>Total Units</u>

<u>Unit Type &amp; Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
41 1 Bedroom	30%	\$901
42 1 Bedroom	60%	\$1,803
1 1 Bedroom	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$23,820,000
Construction Costs	\$0
Rehabilitation Costs	\$6,110,508
Construction Hard Cost Contingency	\$575,000
Soft Cost Contingency	\$50,000
Relocation	\$300,000
Architectural/Engineering	\$110,000
Const. Interest, Perm. Financing	\$687,000
Legal Fees	\$225,000
Reserves	\$513,182
Other Costs	\$172,000
Developer Fee	\$0
Commercial Costs	\$0
<b>Total</b>	<b><u>\$32,562,690</u></b>

**Residential**

Construction Cost Per Square Foot:	\$124
Per Unit Cost:	\$387,651
Estimated Hard Per Unit Cost:	\$62,976
True Cash Per Unit Cost*:	\$387,651
Bond Allocation Per Unit:	\$92,024
Bond Allocation Per Restricted Rental Unit:	\$93,133

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Berkadia: Tax-Exempt	\$7,730,000	Berkadia: Tax-Exempt	\$7,730,000
Berkadia: Recycled Tax-Exempt	\$14,520,000	Berkadia: Recycled Tax-Exempt	\$14,520,000
Berkadia: Taxable	\$3,710,000	Net Operating Income	\$589,977
Tax Credit Equity	\$6,602,690	Tax Credit Equity	\$9,722,713
		<b>TOTAL</b>	<b>\$32,562,690</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis (Rehabilitation):	\$7,085,508
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$23,820,000
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$9,211,160
Qualified Basis (Acquisition):	\$23,820,000
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$177,748
Maximum Annual Federal Credit, Acquisition:	\$952,800
Total Maximum Annual Federal Credit:	\$1,130,548
Approved Developer Fee (in Project Cost & Eligible Basis):	\$0
Federal Tax Credit Factor:	\$0.86000

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(l).

<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	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
<b>Total Points</b>	<b>120</b>	<b>110</b>	<b>110</b>

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:** 468.062%