

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2026 First Round

June 22, 2026

The project, 1247 McKay Avenue, fka 1245 McKay Avenue, located at 1247 McKay Avenue in Alameda, requested and is being recommended for a reservation of \$2,800,000 in annual federal tax credits and \$15,825,788 in total state tax credits to finance the new construction of 106 units of housing serving seniors and special needs tenants with rents affordable to households earning 20%-60% of area median income (AMI). The project will be developed by Mercy Housing California and will be located in Senate District 7 and Assembly District 18.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number CA-26-039

Project Name 1247 McKay Avenue, fka 1245 McKay Avenue
Site Address: 1247 McKay Avenue
Alameda, CA 94501
County: Alameda
Census Tract: 4277.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,800,000	\$15,825,788
Recommended:	\$2,800,000	\$15,825,788

Applicant Information

Applicant: 1247 McKay Ave, L.P.
Contact: Ramie Dare
Address: 1256 Market Street
San Francisco, CA 94102
Phone: 415-355-7100
Email: rdare@mercyhousing.org

General Partners / Principal Owners: 1247 McKay Ave LLC
Alameda Point Collaborative, Inc.
General Partner Type: Nonprofit
Parent Companies: Mercy Housing California
Alameda Point Collaborative, Inc.
Developer: Mercy Housing California
Investor/Consultant: California Housing Partnership
Management Agents: Mercy Housing Management Group

Project Information

Construction Type: New Construction
Total # Residential Buildings: 1
Total # of Units: 107
No. & % of Tax Credit Units: 106 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Contract (106 Units - 99%)

Information

Set-Aside: Nonprofit (Homeless assistance)
Housing Type: Special Needs Seniors
Type of Special Needs: Homeless
Average Targeted Affordability of Special Needs Project Units: 20%
% of Special Need Units: 27 units 25.47%
Geographic Area: East Bay Region
CTCAC Project Analyst: Rachel Bursk

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 20% AMI:	27	25%
At or Below 60% AMI:	79	70%

Unit Mix

106	SRO/Studio Units
1	2-Bedroom Units
107	Total Units

Unit Type & Number	2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
27 SRO/Studio	20%	\$332
79 SRO/Studio	60%	\$332
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$10,739,000
Construction Costs	\$48,219,114
Construction Contingency	\$3,015,016
Architectural/Engineering	\$3,653,564
Const. Interest, Perm. Financing	\$4,805,666
Legal Fees	\$248,750
Reserves	\$9,977,956
Other Costs	\$3,297,097
Developer Fee	\$2,800,000
Commercial Costs	\$247,214
Total	\$87,003,377

Residential

Construction Cost Per Square Foot:	\$744
Per Unit Cost:	\$810,805
True Cash Per Unit Cost*:	\$736,717

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Chase	\$33,751,471	HUD 202	\$12,070,000
¹ CCE Program Funding	\$10,964,423	¹ CCE Program Funding	\$10,964,423
Ferguson Foundation	\$6,000,000	Ferguson Foundation	\$6,000,000
City of Alameda	\$444,305	City of Alameda	\$444,305
Alameda County A1	\$6,926,828	Alameda County A1	\$6,926,828
Alameda County Measure W	\$5,500,000	Alameda County Measure W	\$5,500,000
Deferred Costs	\$12,045,906	General Partner Equity	\$1,008,378
² U.S. DHHS: Donated Land	\$7,950,000	² U.S. DHHS: Donated Land	\$7,950,000
Tax Credit Equity	\$3,420,444	Tax Credit Equity	\$36,139,443
		TOTAL	\$87,003,377

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

¹Community Care Expansion

²U.S. Department of Health and Human Services

Determination of Credit Amount(s)

Requested Eligible Basis:	\$52,752,626
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis:	\$52,752,626
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,800,000
Total State Credit:	\$15,825,788
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,800,000
Federal Tax Credit Factor:	\$0.82722
State Tax Credit Factor:	\$0.82000

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Special Needs
Self-Score Final:	108.174%
CTCAC Final:	107.092%

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within ½ mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within ½ mile of public park or community center open to general public	3	3	3
Within ½ mile of public library	3	3	3
Within ½ mile of a weekly farmers' market operating at least 5 months/year	2	2	2
Special Needs project within ½ mile of facility serving tenant population	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	1	1	1
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
Other Services Specialist, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
State Credit Substitution	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.