CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
September 1, 2026

Pleasant Grove Apartments Phase II, located at 1721 Pleasant Grove Boulevard in Roseville on a 0.83 acre site, requested and is being recommended for a reservation of $1,176,985 in annual federal tax credits, $6,057,698 in total state tax credits, and $6,364,000 of tax-exempt bond cap to finance the new construction of 49 units of housing, consisting of 49 restricted rental units. The project will have 15 one-bedroom units, 17 two-bedroom units, and 17 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 February 2027 and be completed in April 2028. The project will be developed by Mercy Housing California and will be located in Senate District 6 and Assembly District 5.

The project financing includes state funding from Department of Developmental Services: Community Resources Development Plan (DDS: CRDP).

Project Number CA-26-543

Project Name Pleasant Grove Apartments Phase II

Site Address:	1721 Pleasant Grove Boulevard Roseville, CA 95747
County:	Placer
Census Tract:	210.47

Tax Credit Amounts

	Federal/Annual	State/Total
Requested:	$1,176,985	$6,057,698
Recommended:	$1,176,985	$6,057,698

Tax-Exempt Bond Allocation

Recommended:	$6,364,000

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor:	Mercy Housing California 118, L.P.
Contact:	Rich Ciraulo
Address:	1750 Creekside Oaks Drive, Suite 150 Sacramento, CA 95833
Phone:	916-414-4441
Email:	rciraulo@mercyhousing.org

Bond Financing Information

CDLAC Applicant/Bond Issuer:	California Municipal Finance Authority
Bond Counsel:	Jones Hall, A Professional Law Corporation
Private Placement Purchaser:	JP Morgan Chase Bank, N. A.

Development Team

General Partner / Principal Owner:	Mercy Housing California 118, LLC
General Partner Type:	Nonprofit
Parent Company:	Mercy Housing Calwest
Developer:	Mercy Housing California
Investor/Consultant:	California Housing Partnership
Management Agent:	Mercy Housing Management Group

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	1	
Total # of Units:	49	
No. / % of Low Income Units:	49	100.00%
Average Targeted Affordability:	49.80%	
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt	

Information

Housing Type:	Large Family
Geographic Area:	Northern Region
State Ceiling Pool:	New Construction
Set Aside:	Extremely Low/Very Low Income Set Aside
Project Analyst:	Curtis Lackey

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	10	20%
40% AMI:	5	10%
50% AMI:	10	20%
60% AMI:	24	49%

Unit Mix

15	1-Bedroom Units
17	2-Bedroom Units
17	3-Bedroom Units
49	Total Units

Unit Type & Number		2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
4	1 Bedroom	30%	$723
4	2 Bedrooms	30%	$868
2	3 Bedrooms	30%	$1,003
1	1 Bedroom	40%	$965
2	2 Bedrooms	40%	$1,158
2	3 Bedrooms	40%	$1,337
1	1 Bedroom	50%	$1,206
7	2 Bedrooms	50%	$1,447
2	3 Bedrooms	50%	$1,671
9	1 Bedroom	60%	$1,447
4	2 Bedrooms	60%	$1,737
11	3 Bedrooms	60%	$2,006

Project Cost Summary at Application	
Land and Acquisition	$507,340
Construction Costs	$14,883,372
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$744,169
Soft Cost Contingency	$300,000
Relocation	$0
Architectural/Engineering	$643,545
Const. Interest, Perm. Financing	$2,006,179
Legal Fees	$195,000
Reserves	$181,882
Other Costs	$2,513,831
Developer Fee	$2,952,303
Commercial Costs	$0
Total	**$24,927,621**

Residential

Construction Cost Per Square Foot:	$286
Per Unit Cost:	$508,727
Estimated Hard Per Unit Cost:	$255,334
True Cash Per Unit Cost*:	$463,224
Bond Allocation Per Unit:	$129,878
Bond Allocation Per Restricted Rental Unit:	$129,878

Construction Financing

Source	Amount
JP Morgan Chase: Tax-Exempt	$6,364,000
JP Morgan Chase: Taxable	$8,640,338
DDS: CRDP	$1,000,000
City of Roseville Trust Fund	$3,000,000
Eskaton: Donated Land	$507,340
Accrued Interest	$139,328
Deferred Costs	$701,182
Deferred Developer Fee	$1,722,303
Tax Credit Equity	$2,853,130

Permanent Financing

Source	Amount
JP Morgan Chase: Tax-Exempt	$3,584,000
DDS: CRDP	$1,000,000
City of Roseville Trust Fund	$3,000,000
Eskaton: Donated Land	$507,340
Accrued Interest	$139,328
Deferred Developer Fee	$1,722,303
Tax Credit Equity	$14,974,650
TOTAL	**$24,927,621**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$22,634,326
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$29,424,624
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$1,176,985
Total State Credit:	$6,057,698
Approved Developer Fee (in Project Cost & Eligible Basis):	$2,952,303
Federal Tax Credit Factor:	$0.83486
State Tax Credit Factor:	$0.84992

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.

Significant Information / Additional Conditions

This project is Phase II of the Pleasant Grove, Phase I (CA-23-443) project. Both phases will be managed by an onsite property manager located in Phase I and share community facilities. Prior to the start of construction, all necessary agreements shall be in place to ensure that Phase II has sufficient property management and access to the required community spaces. The Joint Use Agreement shall be provided in the placed in service submission.

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 and the terms of the bond and tax credit award as presented in the application and summarized in this staff report. CTCAC will verify the project complied with all terms of the award at placed-in-service review.

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).

CA-26-543 / Pleasant Grove Apartments Phase II

Points System	Max. Possible Points		Points Requested	Points Awarded
	New Const.	Rehab.		
Acquisition/Rehabilitation Project Priorities	**0**	**20**	**0**	**0**
New Construction Density and Local Incentives	**10**	**0**	**10**	**10**
Project is located in a "pro-housing" jurisdiction	10	0	10	10
Exceeding Minimum Income Restrictions	**20**	**20**	**20**	**20**
Tax Credit Units: 10% @ <=30% AMI & 10% @ <=50% AMI	20	0	20	20
Exceeding Minimum Rent Restrictions	**10**	**10**	**10**	**10**
Average targeted affordability is 31% below market comparables	10	10	10	10
General Partner & Management Company	**10**	**10**	**10**	**10**
General Partner Experience	7	7	7	7
Management Company Experience	3	3	3	3
Housing Needs	**10**	**0**	**10**	**10**
Readiness to Proceed	**10**	**10**	**10**	**10**
Access to Opportunity	**10**	**0**	**10**	**10**
High or Highest Resource Area; 10% @ 30% AMI, 10% @ 50% AMI	10	0	10	10
Service Amenities	**10**	**10**	**10**	**10**
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES; NON-TARGETED				
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5	5
Cost Containment	**12**	**12**	**12**	**12**
Project eligible basis is 111% less than the CDLAC adjusted TBL; 2 pts per %	12	12	12	12
Site Amenities	**10**	**10**	**10**	**10**
Within ⅓ mile of transit station or public bus stop	4	4	4	4
Within ½ mile of public park or community center open to general public	3	3	3	3
Within 1 mile of public library	2	2	2	2
Within ½ mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5	5
Within ½ mile of a pharmacy	2	2	2	2
Highest or High Resource Area	3	0	3	3
Total Points	**112**	**102**	**112**	**112**

Tie Breaker: 118.041%