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

Chatham Village, located at 16331 McFadden Avenue in Tustin on a 14.08 acre site, requested and is being recommended for a reservation of $7,547,037 in annual federal tax credits and $74,000,000 of tax-exempt bond cap to finance the acquisition & rehabilitation of 350 units of housing, consisting of 346 restricted rental units and 4 unrestricted manager's units. The project has 206 one-bedroom units, and 144 two-bedroom units, serving tenants with rents affordable to households earning 30%-80% of area median income (AMI). The construction is expected to begin in January 2027 and be completed in December 2027. The project will be developed by SP Tax Credit Developer 3 LLC and is located in Senate District 37 and Assembly District 73.

Chatham Village is a resyndication of an existing Low Income Housing Tax Credit (LIHTC) project, Hampton Square Apartments (CA-96-918). See Resyndication and Resyndication Transfer Event below for additional information. The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years.

Project Number CA-26-595

Project Name Chatham Village

Site Address:	16331 McFadden Avenue Tustin, CA 92780
County:	Orange
Census Tract:	0744.03

Tax Credit Amounts

	Federal/Annual	State/Total
Requested:	$7,547,037	$0
Recommended:	$7,547,037	$0

Tax-Exempt Bond Allocation

Recommended:	$74,000,000

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor:	Chatham Preservation LP
Contact:	Sean Burrowes
Address:	2315 4th Avenue, Suite 400 Seattle, WA 98121
Phone:	206-660-5394
Email:	seanb@secprop.com

Bond Financing Information

CDLAC Applicant/Bond Issuer:	CMFA
Bond Counsel:	Orrick, Harrington & Sutcliffe LLP
Cash Flow Permanent Bond:	Applicable
Underwriter:	Applicable

Development Team

General Partners / Principal Owners:	Las Palmas Housing & Development Corp. Chatham GP LLC
General Partner Type:	Joint Venture
Parent Companies:	Las Palmas Housing & Development Corp. SP Affordable Housing Group IV
Developer:	SP Tax Credit Developer 3 LLC
Investor/Consultant:	Freddie Mac
Management Agent:	Apartment Management Consultants

Project Information

Construction Type:	Acquisition & Rehabilitation	
Total # Residential Buildings:	8	
Total # of Units:	350	
No. / % of Low Income Units:	346	100.00%
Average Targeted Affordability:	59.77%	
Federal Set-Aside Elected:	40%/60% Average Income	
Federal Subsidy:	Tax-Exempt	

Information

Housing Type:	At-Risk
Geographic Area:	Coastal Region
State Ceiling Pool:	Acquisition/Rehabilitation
Set Aside:	N/A
Project Analyst:	Sabrina Yang

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	35	10%
50% AMI:	35	10%
60% AMI:	210	61%
80% AMI*:	66	19%

*CTCAC restricted only

Unit Mix

206	1-Bedroom Units
144	2-Bedroom Units
350	Total Units

Unit Type & Number		2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
21	1 Bedroom	30%	$952
21	1 Bedroom	50%	$1,585
123	1 Bedroom	60%	$1,903
39	1 Bedroom	80%	$2,538
12	2 Bedrooms	30%	$1,142
12	2 Bedrooms	50%	$1,903
75	2 Bedrooms	60%	$2,284
24	2 Bedrooms	80%	$3,045
2	2 Bedrooms	30%	$1,142
2	2 Bedrooms	50%	$1,903
12	2 Bedrooms	60%	$2,284
3	2 Bedrooms	80%	$3,043
2	1 Bedroom	Manager’s Unit	$0
2	2 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$139,000,000
Construction Costs	$0
Rehabilitation Costs	$24,274,864
Construction Hard Cost Contingency	$2,425,486
Soft Cost Contingency	$19,468
Relocation	$2,145,000
Architectural/Engineering	$380,000
Const. Interest, Perm. Financing	$11,600,772
Legal Fees	$300,000
Reserves	$2,012,505
Other Costs	$903,713
Developer Fee	$12,131,646
Commercial Costs	$0
Total	**$195,193,454**

Residential	
Construction Cost Per Square Foot:	$81
Per Unit Cost:	$557,696
Estimated Hard Per Unit Cost:	$60,130
True Cash Per Unit Cost*:	$525,440
Bond Allocation Per Unit:	$211,429
Bond Allocation Per Restricted Rental Unit:	$264,286

Construction Financing

Source	Amount
Berkadia: Tax-Exempt	$66,500,000
Berkadia: Taxable	$27,241,000
Stifel Tranche B: Tax-Exempt	$7,500,000
Net Operating Income	$8,750,000
Deferred Developer Fee	$11,289,283
General Partner Equity	$7,500,000
Tax Credit Equity	$53,130,537

Permanent Financing

Source	Amount
Berkadia: Tax-Exempt	$66,500,000
Berkadia: Taxable	$27,241,000
Stifel Tranche B: Tax-Exempt	$7,500,000
Net Operating Income	$8,750,000
Deferred Developer Fee	$11,289,283
General Partner Equity	$7,500,000
Tax Credit Equity	$66,413,171

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$45,911,007
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$129,008,329
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$59,684,309
Qualified Basis (Acquisition):	$129,008,329
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$2,386,704
Maximum Annual Federal Credit, Acquisition:	$5,160,333
Total Maximum Annual Federal Credit:	$7,547,037
Approved Developer Fee (in Project Cost & Eligible Basis):	$12,131,646
Federal Tax Credit Factor:	$0.87999

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:

The applicant's estimate for annual replacement reserves is below the per unit minimum required for this type of project. Under CTCAC Regulation Section 10327(g), shortages or overages of cash flow up to $25,000 or 0.5% of gross income are allowed by Committee to be corrected. At the submission of the next updated CTCAC application required by CTCAC, and all subsequent submissions to CTCAC, the applicant must meet the requirement of CTCAC Regulation Section 10327(c)(7)(a).

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-96-918).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-96-918) 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 resyndication occurring concurrently with a Transfer Event. The existing tax credit regulatory agreement has a remaining term of five (5) or less years, and thus the project is waived from setting aside a Short Term Work Capitalized Replacement Reserve that is otherwise required.

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-26-595 / Chatham Village

Points System	Max. Possible New Const.	Max. Possible Rehab.	Points Requested	Points Awarded
Acquisition/Rehabilitation Project Priorities	**0**	**20**	**20**	**20**
At-Risk Project	0	20	20	20
New Construction Density and Local Incentives	**10**	**0**	**0**	**0**
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**
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**	**0**	**0**
Readiness to Proceed	**10**	**10**	**10**	**10**
Access to Opportunity	**10**	**0**	**0**	**0**
Service Amenities	**10**	**10**	**10**	**10**
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES; NON-TARGETED				
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3	3
Cost Containment	**12**	**12**	**12**	**12**
Project eligible basis is 23% less than the CDLAC adjusted TBL; 1 pt per %	12	12	12	12
Site Amenities	**10**	**10**	**10**	**10**
Within ⅓ mile of transit, service every 30 minutes in rush hours	6	6	6	6
Within 1 mile of an adult education campus or community college	3	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2	2
Within ½ mile of a pharmacy	2	2	2	2
Total Points	**112**	**102**	**102**	**102**

Tie Breaker: 107.169%