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

Rolling Hills III, located at 246 Bennett Way in Templeton on a 1.35 acre site, requested and is being recommended for a reservation of $1,375,623 in annual federal tax credits and $7,783,154 of tax-exempt bond cap to finance the new construction of 28 units of housing, consisting of 28 restricted rental units. The project will have 10 one-bedroom units, 10 two-bedroom units, and 8 three-bedroom units, serving families with rents affordable to households earning 30%-55% of area median income (AMI). The construction is expected to begin in February 2027 and be completed in April 2029. The project will be developed by People's Self-Help Housing Corporation and will be located in Senate District 17 and Assembly District 30.

The project financing includes state funding from the Joe Serna Jr. Farmworker Housing Grant (FWHG) and Community Development Block Grant Disaster Recovery Accelerator (CDGB-DR-ACCEL) programs of HCD.

Project Number CA-26-596

Project Name Rolling Hills III

Site Address:	246 Bennett Way Templeton, CA 93465
County:	San Luis Obispo
Census Tract:	0127.07

Tax Credit Amounts

	Federal/Annual	State/Total
Requested:	$1,375,623	$0
Recommended:	$1,375,623	$0

Tax-Exempt Bond Allocation

Recommended: $7,783,154

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor:	People's Self-Help Housing Corporation
Contact:	Katherine Aguilar
Address:	1060 Kendall Road San Luis Obispo, CA 93401
Phone:	(818) 849-8613
Email:	katherinea@pshhc.org

Bond Financing Information

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

Development Team

General Partner / Principal Owner:	Rolling Hills III, LLC
General Partner Type:	Nonprofit
Parent Company:	People's Self-Help Housing Corporation
Developer:	People's Self-Help Housing Corporation
Investor/Consultant:	California Housing Partnership
Management Agent:	The Duncan Group

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	2	
Total # of Units:	28	
No. / % of Low Income Units:	28	100.00%
Average Targeted Affordability:	42.14%	
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt / HOME	

Information

Housing Type:	Large Family
Geographic Area:	Coastal Region
State Ceiling Pool:	Rural
Set Aside:	N/A
Project Analyst:	Gloria Witherow

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	12	43%
45% AMI:	6	21%
55% AMI:	10	36%

Unit Mix

10	1-Bedroom Units
10	2-Bedroom Units
8	3-Bedroom Units
28	Total Units

Unit Type & Number		2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
7	1 Bedroom	30%	$781
3	1 Bedroom	45%	$1,172
3	2 Bedrooms	30%	$938
3	2 Bedrooms	45%	$1,407
4	2 Bedrooms	55%	$1,720
2	3 Bedrooms	30%	$1,084
6	3 Bedrooms	55%	$1,987

Project Cost Summary at Application

Land and Acquisition	$3,126,520
Construction Costs	$16,248,195
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$826,026
Soft Cost Contingency	$226,940
Relocation	$0
Architectural/Engineering	$1,598,022
Const. Interest, Perm. Financing	$2,452,160
Legal Fees	$165,000
Reserves	$77,235
Other Costs	$1,855,450
Developer Fee	$3,450,558
Commercial Costs	$0
Total	**$30,026,106**

Residential

Construction Cost Per Square Foot:	$476
Per Unit Cost:	$1,072,361
Estimated Hard Per Unit Cost:	$517,565
True Cash Per Unit Cost*:	$1,038,412
Bond Allocation Per Unit:	$277,970
Bond Allocation Per Restricted Rental Unit:	$277,970

Construction Financing

Source	Amount
J.P. Morgan Chase: Tax-Exempt	$7,783,154
J.P. Morgan Chase: Taxable	$8,548,954
HCD: FWHG	$6,786,797
HCD: FWHG Accrued Interest	$285,505
SLO[1] County: HOME	$1,144,144
SLO[1] County: HOME Accrued Interest	$60,430
Deferred Costs	$2,101,836
Deferred Developer Fee	$950,558
General Partner Equity	$100
Tax Credit Equity	$2,364,628

Permanent Financing

Source	Amount
HCD: FWHG	$7,540,886
HCD: CDBG DR-ACCEL	$7,791,335
HCD: FWHG Accrued Interest	$285,505
SLO[1] County: HOME	$1,144,144
SLO[1] County: HOME Accrued Interest	$60,430
General Partner Equity	$100
Deferred Developer Fee	$950,558
Tax Credit Equity	$12,253,148
TOTAL	**$30,026,106**

*Less Donated Land, Seller Carryback Loans, Waived Fees, and Deferred Developer Fee
[1]San Luis Obispo County

Determination of Credit Amount(s)

Requested Eligible Basis:	$26,454,280
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$34,390,564
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$1,375,623
Approved Developer Fee (in Project Cost & Eligible Basis):	$3,450,558
Federal Tax Credit Factor:	$0.89073

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 III of Rolling Hills. Phase I (CA-10-517) contains 52 Low-Income Units and Phase II (CA-16-056) contains 29 Low-Income Units. All phases will be managed by two on-site property managers located in Phases I/II. Prior to the start of construction, all necessary agreements shall be in place to ensure that Phase III has sufficient property management. The Joint Use Agreement shall be provided in the placed in service submission.

The project's pro forma shows cash flow after debt service exceeding limits established by CTCAC Regulations. Pursuant to CTCAC Regulation Section 10327(g), the overage of cash flow is within the $25,000 limit allowed by Committee. The applicant must correct the cash flow overage in the next updated CTCAC application required by CTCAC, and all subsequent submissions to CTCAC, including the placed-in-service submission for the issuance of the IRS 8609 forms.

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-26-596 / Rolling Hills III

Points System	Max. Possible New Const.	Max. Possible Rehab.	Points Requested	Points Awarded
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**
Average targeted affordability is 17 percent below 60%	20	0	20	20
Exceeding Minimum Rent Restrictions	**10**	**10**	**10**	**10**
Average targeted affordability is 44% 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
Other Services Specialist, minimum ratio of 1 FTE to 600 bedrooms	5	5	5	5
SPECIAL NEEDS, SRO HOUSING TYPES; NON-TARGETED				
Cost Containment	**12**	**12**	**12**	**12**
Project eligible basis is 65% 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 1 mile of public park or community center open to general public	3	3	3	3
Within 1 mile of a public high school	3	3	3	3
Within 1 mile of medical clinic or hospital	3	3	3	3
Within 1 mile of a pharmacy	2	2	2	2
Highest or High Resource Area	3	0	3	3
Farmworker or Native American Housing	5	5	5	5
Total Points	**112**	**102**	**112**	**112**

Tie Breaker: 153.343%