

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

Palomar Heights Senior Affordable Apartments, located at 127-133 Valley Boulevard in Escondido on a 0.61 acre site, requested and is being recommended for a reservation of \$2,190,569 in annual federal tax credits and \$11,585,668 of tax-exempt bond cap to finance the new construction of 90 units of housing, consisting of 88 restricted rental units and 2 unrestricted manager's units. The project will have 70 one-bedroom units, and 20 two-bedroom units, serving seniors with rents affordable to households earning 30%-80% of area median income (AMI). The construction is expected to begin in February 2027 and be completed in August 2029. The project will be developed by Mirka Investments, LLC and will be located in Senate District 40 and Assembly District 76.

Project Number CA-26-601

Project Name Palomar Heights Senior Affordable Apartments
Site Address: 127-133 Valley Boulevard
Escondido, CA 92025
County: San Diego
Census Tract: 202.14

Tax Credit Amounts

	Federal/Annual	State/Total
Requested:	\$2,190,569	\$0
Recommended:	\$2,190,569	\$0

Tax-Exempt Bond Allocation

Recommended: \$11,585,668

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor:	Mirka Investments, LLC
Contact:	Kursat Misirlioglu
Address:	600 B Street, Suite 300 San Diego, CA 92101
Phone:	(619) 599-3852
Email:	kursatm@mirkainvest.com

Bond Financing Information

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

Development Team

General Partners / Principal Owners:	Mirka Investments, LLC
General Partner Type:	Joint Venture
Parent Company:	Mirka Investments, LLC
Developer:	Mirka Investments, LLC
Investor/Consultant:	WNC
Management Agent:	Hyder Company

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	90
No. / % of Low Income Units:	88 100.00%
Average Targeted Affordability:	60.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt

Information

Housing Type:	Seniors
Geographic Area:	Coastal Region
State Ceiling Pool:	New Construction
Project Analyst:	Amit Sarang

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	9	10%
50% AMI:	9	10%
60% AMI:	52	59%
80% AMI*:	18	20%

*CTCAC restricted only

Unit Mix

70	1-Bedroom Units
20	2-Bedroom Units
90	Total Units

Unit Type & Number	2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
14 1 Bedroom	80%	\$2,377
42 1 Bedroom	60%	\$1,860
7 1 Bedroom	50%	\$1,550
7 1 Bedroom	30%	\$930
4 2 Bedrooms	80%	\$2,490
10 2 Bedrooms	60%	\$2,233
2 2 Bedrooms	50%	\$1,861
2 2 Bedrooms	30%	\$1,116
2 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$422,019
Construction Costs	\$24,394,741
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,231,238
Soft Cost Contingency	\$330,290
Relocation	\$0
Architectural/Engineering	\$817,563
Const. Interest, Perm. Financing	\$6,931,016
Legal Fees	\$485,000
Reserves	\$316,116
Other Costs	\$3,175,487
Developer Fee	\$5,495,178
Commercial Costs	\$0
Total	\$43,598,648

Residential

Construction Cost Per Square Foot:	\$280
Per Unit Cost:	\$484,429
Estimated Hard Per Unit Cost:	\$130,270
True Cash Per Unit Cost*:	\$438,201
Bond Allocation Per Unit:	\$128,730
Bond Allocation Per Restricted Rental Unit:	\$131,655

Construction Financing

Source	Amount
Keybank: Tax-Exempt	\$11,585,668
Keybank: Taxable	\$16,663,797
Master Developer	\$3,294,937
Deferred Costs	\$2,242,132
Deferred Developer Fee	\$4,160,549
Tax Credit Equity	\$5,651,565

Permanent Financing

Source	Amount
Keybank: Tax-Exempt	\$11,585,668
Keybank: Taxable	\$5,718,977
Master Developer	\$3,294,937
Deferred Developer Fee	\$4,160,549
Tax Credit Equity	\$18,838,517
TOTAL	\$43,598,648

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$42,129,700
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$54,768,610
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,190,569
Approved Developer Fee (in Project Cost & Eligible Basis):	\$5,495,178
Federal Tax Credit Factor:	\$0.85998

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

The applicant's estimate of the 3-month operating reserve shown in the application development budget is slightly below CTCAC's minimum. Pursuant to CTCAC Regulations 10327(a), the shortage of sources for the 3-month operating reserve is within the \$50,000 limit allowed by CTCAC to be deemed an application error which shall be covered by the project's contingency line item. The applicant must correct the 3-month operating reserve in the readiness submission. 50% of the contingency costs were suffice to cover the difference.

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 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-26-601 / Palomar Heights Senior Affordable Apartments

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 density is at least 100 bedrooms/net acre	10	0	10	10
Exceeding Minimum Income Restrictions	20	20	20	20
Tax Credit Units: 10% @ <=30% AMI & 10% @ <=50% AMI	20	20	20	20
Exceeding Minimum Rent Restrictions	10	10	10	10
Average targeted affordability is 22% 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	9	9
10% @ 30% AMI, 10% @ 50% AMI	9	0	9	9
Service Amenities	10	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES; NON-TARGETED				
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5	5
Health & wellness services and programs, minimum 100 hrs per 100 bdrms	5	5	5	5
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 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3	3
Within 1/2 mile of public library	3	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5	5
Senior project within 1/2 mile of daily operated senior center/facility	3	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	3	3
Within 1/2 mile of a pharmacy	2	2	2	2
Total Points	112	102	111	111

Tie Breaker:

174.747%