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

Driftwood Flats, located at 407, 409 and 413 Pacific Avenue in Santa Cruz on a 0.61 acre site, requested and is being recommended for a reservation of $3,659,678 in annual federal tax credits, $5,000,000 in total state tax credits, and $21,000,000 of tax-exempt bond cap to finance the new construction of 102 units of housing, consisting of 101 restricted rental units and 1 unrestricted manager's unit. The project will have 34 two-bedroom units, and 68 three-bedroom units, serving families with rents affordable to households earning 30%-70% of area median income (AMI). The construction is expected to begin in February 2027 and be completed in February 2029. The project will be developed by CRP Affordable Housing and Community Development LLC and will be located in Senate District 17 and Assembly District 28.

The project financing includes state funding from the Mixed-Income Program (MIP) through the California Housing Finance Agency (CalHFA).

Project Number CA-26-602

Project Name Driftwood Flats

Site Address:	407, 409 and 413 Pacific Avenue Santa Cruz, CA 95060
County:	Santa Cruz
Census Tract:	1010.02

Tax Credit Amounts

	Federal/Annual	**State/Total**
Requested:	$3,659,678	$5,000,000
Recommended:	$3,659,678	$5,000,000

Tax-Exempt Bond Allocation

Recommended:	$21,000,000

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor:	CRP Driftwood Flats LP
Contact:	Paul Salib
Address:	122 East 42nd Street, Suite 1903 New York, NY 10168
Phone:	212-776-1914
Email:	psalib@crpaffordable.com

Bond Financing Information

CDLAC Applicant/Bond Issuer:	California Housing Finance Agency
Bond Counsel:	Orrick, Harrington & Sutcliffe LLP
Private Placement Purchaser:	Citibank, N.A.

Development Team

General Partners / Principal Owners:	Community Revitalization and Development Corporation CRP Driftwood Flats AGP LLC
General Partner Type:	Joint Venture
Parent Companies:	Community Revitalization and Development Corporation CRP Affordable Housing and Community Development LLC
Developer:	CRP Affordable Housing and Community Development LLC
Investor/Consultant:	U.S. Bancorp
Management Agent:	FPI Management Corporation

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	1	
Total # of Units:	102	
No. / % of Low Income Units:	101	100.00%
Average Targeted Affordability:	60.00%	
Federal Set-Aside Elected:	40%/60% Average Income	
Federal Subsidy:	Tax-Exempt	

Information

Housing Type:	Large Family
Geographic Area:	Bay Area Region
State Ceiling Pool:	New Construction
Set Aside:	Mixed Income Set Aside
Project Analyst:	Anthony Wey

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	11	11%
50% AMI:	22	22%
60% AMI:	13	13%
70% AMI*:	55	54%

*CTCAC restricted only

Unit Mix

34	2-Bedroom Units
68	3-Bedroom Units
102	Total Units

Unit Type & Number		2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
20	2 Bedrooms	70%	$3,115
2	2 Bedrooms	60%	$2,670
8	2 Bedrooms	50%	$2,225
4	2 Bedrooms	30%	$1,335
35	3 Bedrooms	70%	$3,599
11	3 Bedrooms	60%	$3,085
14	3 Bedrooms	50%	$2,571
7	3 Bedrooms	30%	$1,542
1	3 Bedrooms	Manager's Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$4,914,514
Construction Costs	$45,910,000
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$2,561,598
Soft Cost Contingency	$749,117
Relocation	$1,100,000
Architectural/Engineering	$1,810,000
Const. Interest, Perm. Financing	$5,394,210
Legal Fees	$325,000
Reserves	$1,421,030
Other Costs	$6,241,647
Developer Fee	$9,179,795
Commercial Costs	$0
Total	**$79,606,911**

Residential	
Construction Cost Per Square Foot:	$321
Per Unit Cost:	$780,460
Estimated Hard Per Unit Cost:	$386,779
True Cash Per Unit Cost*:	$720,336
Bond Allocation Per Unit:	$205,882
Bond Allocation Per Restricted Rental Unit:	$456,522

Construction Financing

Source	Amount
Citibank: Tax-Exempt	$21,000,000
Citibank: Taxable	$12,733,522
Deferred Costs	$34,658,930
General Partner Equity	$4,250,000
Tax Credit Equity	$6,964,459

Permanent Financing

Source	Amount
CalHFA: Tax-Exempt (Tranche A)	$21,000,000
CalHFA: Tax-Exempt (Tranche B)	$7,401,955
CalHFA: MIP	$6,000,000
Deferred Developer Fee	$6,132,663
General Partner Equity	$4,250,000
Tax Credit Equity	$34,822,293
TOTAL	**$79,606,911**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$70,378,430
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$91,491,959
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$3,659,678
Total State Credit:	$5,000,000
Approved Developer Fee (in Project Cost & Eligible Basis):	$9,179,795
Federal Tax Credit Factor:	$0.82992
State Tax Credit Factor:	$0.89000

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: 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-26-602 / Driftwood Flats

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	20	20	20
Exceeding Minimum Rent Restrictions	**10**	**10**	**10**	**10**
Average targeted affordability is 33% 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				
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 98% less than the CDLAC adjusted TBL; 2 pts per %	12	12	12	12
Site Amenities	**10**	**10**	**10**	**10**
Within ⅓ mile of transit, service every 30 min, 25 units/acre density	7	7	7	7
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 1 mile of a public high school	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
Highest or High Resource Area	3	0	3	3
Total Points	**112**	**102**	**112**	**112**