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

Avenue 42 Apartments, located at Avenue 42 & Country Club Drive in Indio on a 9.98 acre site, requested and is being recommended for a reservation of $5,428,757 in annual federal tax credits, $13,000,000 in total state tax credits, and $30,800,000 of tax-exempt bond cap to finance the new construction of 240 units of housing, consisting of 237 restricted rental units and 3 unrestricted manager's units. The project will have 36 one-bedroom units, 84 two-bedroom units, 84 three-bedroom units, and 36 four-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 Lincoln Avenue Capital LLC (dba Lincoln Avenue Communities) and will be located in Senate District 18 and Assembly District 36.

Project Number	CA-26-618

Project Name	Avenue 42 Apartments
Site Address:	Avenue 42 & Country Club Drive Indio, CA 92203
County:	Riverside
Census Tract:	0452.14

Tax Credit Amounts

	Federal/Annual	**State/Total**
Requested:	$5,428,757	$13,000,000
Recommended:	$5,428,757	$13,000,000

Tax-Exempt Bond Allocation

Recommended:	$30,800,000

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor:	Avenue 42 Apartments LP
Contact:	Brandon Hodge
Address:	401 Wilshire Boulevard, 11th Floor Santa Monica, CA 90405
Phone:	424-222-8253
Email:	bhodge@lincolnavenue.com

Bond Financing Information

CDLAC Applicant/Bond Issuer:	California Housing Finance Agency
Bond Counsel:	Orrick, Harrington & Sutcliffe LLP
Public Sale:	Applicable
Underwriter:	Applicable

Development Team

General Partners / Principal Owners:	Avenue 42 AGP LLC Pacific Housing, Inc.
General Partner Type:	Joint Venture
Parent Companies:	Lincoln Avenue Capital LLC (dba Lincoln Avenue Communities) Pacific Housing, Inc.
Developer:	Lincoln Avenue Capital LLC (dba Lincoln Avenue Communities)
Investor/Consultant:	US. Bancorp Community Development Corporation
Management Agent:	Cornerstone Residential CA, Inc.

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	8	
Total # of Units:	240	
No. / % of Low Income Units:	237	100.00%
Average Targeted Affordability:	57.47%	
Federal Set-Aside Elected:	40%/60% Average Income	
Federal Subsidy:	Tax-Exempt	

Information

Housing Type:	Large Family
Geographic Area:	Inland Region
State Ceiling Pool:	New Construction
Project Analyst:	Erin Deblaquiere

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	24	10%
50% AMI:	24	10%
60% AMI:	153	65%
70% AMI*:	36	15%

*CTCAC restricted only

Unit Mix

36	1-Bedroom Units
84	2-Bedroom Units
84	3-Bedroom Units
36	4-Bedroom Units
240	Total Units

Unit Type & Number		2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
18	1 Bedroom	30%	$629
4	1 Bedroom	50%	$1,049
14	1 Bedroom	60%	$1,259
2	2 Bedrooms	30%	$755
8	2 Bedrooms	50%	$1,258
65	2 Bedrooms	60%	$1,510
8	2 Bedrooms	70%	$1,762
2	3 Bedrooms	30%	$873
8	3 Bedrooms	50%	$1,455
60	3 Bedrooms	60%	$1,746
12	3 Bedrooms	70%	$2,037
2	4 Bedrooms	30%	$973
4	4 Bedrooms	50%	$1,622
14	4 Bedrooms	60%	$1,947
16	4 Bedrooms	70%	$2,271
1	2 Bedrooms	Manager’s Unit	$0
2	3 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application	
Land and Acquisition	$6,700,000
Construction Costs	$66,878,400
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$3,300,000
Soft Cost Contingency	$300,000
Relocation	$0
Architectural/Engineering	$1,490,000
Const. Interest, Perm. Financing	$14,717,991
Legal Fees	$542,100
Reserves	$1,172,117
Other Costs	$8,708,184
Developer Fee	$13,617,283
Commercial Costs	$0
Total	**$117,426,075**

Residential

Construction Cost Per Square Foot:	$246
Per Unit Cost:	$489,275
Estimated Hard Per Unit Cost:	$246,798
True Cash Per Unit Cost*:	$449,433
Bond Allocation Per Unit:	$128,333
Bond Allocation Per Restricted Rental Unit:	$153,234

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

Construction Financing

Source	Amount
US Bancorp[1]: Tax-Exempt	$30,800,000
US Bancorp[1]: Recycled Tax-Exempt	$3,000,000
Stifel[2]: Recycled Tax-Exempt	$7,000,000
US Bancorp[1]: Taxable	$49,489,244
Stifel[2]: Bond Reinvestment	$1,652,933
Deferred Costs	$7,876,337
Deferred Developer Fee	$11,901,118
Tax Credit Equity	$5,706,443

Permanent Financing

Source	Amount
Berkadia: Tax-Exempt	$30,800,000
Berkadia: Recycled Tax Exempt	$3,000,000
Stifel[2]: Recycled Tax-Exempt	$7,000,000
Berkadia: Taxable	$4,951,339
Stifel[2]: Bond Reinvestment	$3,465,000
Net Operating Income	$1,583,178
Deferred Developer Fee	$9,562,124
Tax Credit Equity	$57,064,434
TOTAL	**$117,426,075**

[1]US. Bancorp Community Development Corporation
[2]Stifel, Nicolaus & Company, Inc

Determination of Credit Amount(s)

Requested Eligible Basis:	$104,399,173
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$135,718,924
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$5,428,757
Total State Credit:	$13,000,000
Approved Developer Fee (in Project Cost & Eligible Basis):	$13,617,283
Federal Tax Credit Factor:	$0.85000
State Tax Credit Factor:	$0.84000

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-26-618 / Avenue 42 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 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 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**	**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. 60 hrs/yr instruction	5	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5	5
Cost Containment	**12**	**12**	**12**	**12**
Project eligible basis is 89% less than the CDLAC adjusted TBL; 2 pts per %	12	12	12	12
Site Amenities	**10**	**10**	**10**	**10**
Within ½ mile of public park or community center open to general public	3	3	3	3
Within 1 mile of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4	4
Within 1 mile of a pharmacy	1	1	1	1
Highest or High Resource Area	3	0	3	3
Total Points	**112**	**102**	**112**	**112**

Tie Breaker: 170.113%