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

Ocean Beach Apartments II, located at 720-760 La Playa Street in San Francisco on a 0.99 acre site, requested $3,775,013 in annual federal tax credits but is being recommended for $3,745,090 in annual federal tax credits and $23,406,283 of tax-exempt bond cap to finance the acquisition & rehabilitation of 103 units of housing, consisting of 102 restricted rental units and 1 unrestricted manager's unit. The project has 13 studio units, 32 one-bedroom units, 55 two-bedroom units, and 3 three-bedroom units, serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in October 2026 and be completed in December 2027. The project will be developed by Alliant Community Preservation Company, LLC and is located in Senate District 11 and Assembly District 19.

Ocean Beach Apartments II is a resyndication of two existing Low Income Housing Tax Credit (LIHTC) projects, Ocean Beach Apartments (CA-2001-856) and (CA-2001-856). See Resyndication and Resyndication Transfer Event below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number CA-26-639

Project Name Ocean Beach Apartments II

Site Address:	720-760 La Playa Street San Francisco, CA 94121
County:	San Francisco
Census Tract:	0479.04

Tax Credit Amounts

	Federal/Annual	**State/Total**
Requested:	$3,775,013	$0
Recommended:	$3,745,090	$0

Tax-Exempt Bond Allocation

Recommended:	$23,406,283

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor:	Ocean Beach Apartments II, LP
Contact:	Kathleen Balderrama
Address:	26050 Mureau Rd., Suite 101 Calabasas, CA 91302
Phone:	310-529-3481
Email:	Katie.Balderrama@acpco.com

Bond Financing Information

CDLAC Applicant/Bond Issuer:	California Housing Finance Agency
Bond Counsel:	Orrick, Harrington & Sutcliffe LLP
Cash Flow Permanent Bond:	Applicable

Development Team

General Partners / Principal Owners:	Ocean Beach Manager, LLC San Francisco Housing Development Corporation
General Partner Type:	Joint Venture
Parent Companies:	Alliant Community Preservation Company, LLC San Francisco Housing Development Corporation
Developer:	Alliant Community Preservation Company, LLC
Investor/Consultant:	Key CDC
Management Agent:	Caritas Management Corporation

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	1
Total # of Units:	103
No. / % of Low Income Units:	102 100.00%
Average Targeted Affordability:	41.76%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Contract (84 Units - 82%)

Information

Housing Type:	Non-Targeted
Geographic Area:	Bay Area 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:	51	50%
50% AMI:	33	32%
60% AMI:	18	18%

Unit Mix

13	SRO/Studio Units
32	1-Bedroom Units
55	2-Bedroom Units
3	3-Bedroom Units
103	Total Units

Unit Type & Number		2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
15	1 Bedroom	30%	$1,088
12	1 Bedroom	50%	$1,813
36	2 Bedrooms	30%	$1,305
19	2 Bedrooms	50%	$2,176
2	3 Bedrooms	50%	$2,514
13	SRO/Studio	60%	$2,031
5	1 Bedroom	60%	$2,176
1	3 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application

Land and Acquisition	$50,500,000
Construction Costs	$5,700,000
Rehabilitation Costs	$13,794,000
Construction Hard Cost Contingency	$1,449,400
Soft Cost Contingency	$565,000
Relocation	$161,250
Architectural/Engineering	$260,300
Const. Interest, Perm. Financing	$9,085,000
Legal Fees	$100,000
Reserves	$1,170,000
Other Costs	$600,000
Developer Fee	$6,598,805
Commercial Costs	$500,000
Total	**$90,483,755**

Residential

Construction Cost Per Square Foot:	$262
Per Unit Cost:	$873,629
Estimated Hard Per Unit Cost:	$166,019
True Cash Per Unit Cost*:	$842,397
Bond Allocation Per Unit:	$227,245
Bond Allocation Per Restricted Rental Unit:	$229,473

Construction Financing

Source	Amount
Keybank: Tax Exempt	$23,406,283
Keybank: Tax-Exempt Recycle Bond	$29,000,000
Keybank: Taxable	$22,000,000
Net Operating Income	$2,000,000
Deferred Costs	$9,150,995
General Partner Equity	$100
Tax Credit Equity	$4,926,377

Permanent Financing

Source	Amount
Keybank: Tax Exempt	$52,406,283
Net Operating Income	$2,000,000
Deferred Developer Fee	$3,234,761
General Partner Equity	$100
Tax Credit Equity	$32,842,611
TOTAL	**$90,483,755**

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

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$31,232,505
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$53,025,000
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$40,602,257
Qualified Basis (Acquisition):	$53,025,000
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$1,624,090
Maximum Annual Federal Credit, Acquisition:	$2,121,000
Total Maximum Annual Federal Credit:	$3,745,090
Approved Developer Fee (in Project Cost & Eligible Basis):	$6,598,805
Federal Tax Credit Factor:	$0.87000

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
Tax-Exempt Bond Projects may receive a reservation of tax credits with the condition to provide the applicable subsidy commitment no later than the CDLAC bond issuance deadline. The source, monthly contract rent, annual amount (if applicable), term, number of units receiving assistance, and expiration date of each subsidy must be included.

This Project's annual per unit operating expense total is below the CTCAC published per unit operating minimums of $8,925. As allowed by CTCAC Regulation Section 10327(g)(1), CTCAC approves an annual per unit operating expense total of $7,610 on agreement of the permanent lender and equity investor.

The Attachment 16 - Syndication Agreement indicates a tax credit factor of $.8682781 while the Attachment 40 - Application indicates a factor of $.87. After correction, the project shows a funding gap of $260,330. This amount is within 50% of the contingency line item and is therefore considered covered under CTCAC Regulation Section 10327(a). The applicant must correct the balance of sources and uses in all future submissions to CTCAC, including the placed-in-service submission.

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-2001-856).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-2001-856) 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 with distribution of Net Project Equity, which is otherwise required to set aside a Short Term Work Capitalized Replacement Reserve in the amount of $483,100. In lieu of a Short Term Work Capitalized Reserve, the seller of the project will give a credit in the amount of $483,100, allowing the applicant to use Short Term Work Reserve Amount to fund rehabilitation expenses and to receive eligible basis for that amount.

The project is exempt from the CTCAC Regulation 10338(d) which requires at least $5,000 per unit of Short-Term Work be identified in the Qualified Capital Needs Assessment, as the project's current regulatory agreement is scheduled to expire within ten (10) years.

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-26-639 / Ocean Beach Apartments II

Points System	Max. Possible New Const.	Max. Possible Rehab.	Points Requested	Points Awarded
Acquisition/Rehabilitation Project Priorities	**0**	**20**	**18**	**18**
No distribution of net project equity to GP/related party No partial/full repayment of existing soft financing >500k or 1.5% TDC Cash-out developer fee limited to 80% of CTCAC cash-out limit	0	10	10	10
$120k+ hard costs/Tax Credit Units, 2+ major building systems	0	8	8	8
Exceeding Minimum Income Restrictions	**20**	**20**	**20**	**20**
Average targeted affordability is 18 percent below 60%	20	0	20	20
Exceeding Minimum Rent Restrictions	**10**	**10**	**10**	**10**
Average targeted affordability is 53% 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
Readiness to Proceed	**10**	**10**	**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
Adult ed/health & wellness/skill bldg classes, min. 60 hrs/yr instruction	5	5	5	5
Cost Containment	**12**	**12**	**12**	**12**
Project eligible basis is 56% 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 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 ½ mile of a pharmacy	2	2	2	2
Total Points	**112**	**102**	**100**	**100**

Tie Breaker: 299.005