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

Roadrunner Flats, located at 79650 Avenue 39 in Indio on a 10.07 acre site, requested and is being recommended for a reservation of $1,582,767 in annual federal tax credits, $9,131,345 in total state tax credits, and $8,760,589 of tax-exempt bond cap to finance the new construction of 61 units of housing, consisting of 60 restricted rental units and 1 unrestricted manager's unit. The project will have 20 two-bedroom units, 21 three-bedroom units, and 20 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 June 2028. The project will be developed by Etapes Corporation and will be located in Senate District 18 and Assembly District 36.

Project Number CA-26-640

Project Name Roadrunner Flats

Site Address:	79650 Avenue 39 Indio, CA 92203
County:	Riverside
Census Tract:	0494.00

Tax Credit Amounts

	Federal/Annual	State/Total
Requested:	$1,582,767	$9,131,345
Recommended:	$1,582,767	$9,131,345

Tax-Exempt Bond Allocation

Recommended:	$8,760,589

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor:	Avenue 39 Partners LP
Contact:	Tung Tran
Address:	13681 Newport Avenue, Suite 8230 Tustin, CA 92780
Phone:	714-330-9987
Email:	ttran@etapescorp.com

Bond Financing Information

CDLAC Applicant/Bond Issuer:	California Municipal Finance Authority
Bond Counsel:	Jones Hall, A Professional Law Corporation
Private Placement Purchaser:	U.S. Bank National Association

Development Team

General Partners / Principal Owners:	Rio Hondo Community Development Corporation Avenue 39 AGP LLC
General Partner Type:	Joint Venture
Parent Companies:	Rio Hondo Community Development Corporation TEREDS LLC
Developer:	Etapes Corporation
Investor/Consultant:	U.S. Bank
Management Agent:	Asset Living / FPI Management Corp

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	61	
Total # of Units:	61	
No. / % of Low Income Units:	60	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:	Inland Region
State Ceiling Pool:	BIPOC
Set Aside:	N/A
Project Analyst:	Michael Couzens

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	6	10%
50% AMI:	12	20%
60% AMI:	12	20%
70% AMI*:	30	50%

*CTCAC restricted only

Unit Mix

20	2-Bedroom Units
21	3-Bedroom Units
20	4-Bedroom Units
61	Total Units

Unit Type & Number		2025 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
2	2 Bedrooms	30%	$755
2	3 Bedrooms	30%	$873
2	4 Bedrooms	30%	$973
4	2 Bedrooms	50%	$1,258
4	3 Bedrooms	50%	$1,455
4	4 Bedrooms	50%	$1,622
4	2 Bedrooms	60%	$1,510
4	3 Bedrooms	60%	$1,746
4	4 Bedrooms	60%	$1,947
10	2 Bedrooms	70%	$1,762
10	3 Bedrooms	70%	$2,037
10	4 Bedrooms	70%	$2,271
1	3 Bedrooms	Manager's Unit	$123

Project Cost Summary at Application	
Land and Acquisition	$1,020,000
Construction Costs	$15,297,558
Rehabilitation Costs	$0
Construction Hard Cost Contingency	$764,878
Soft Cost Contingency	$449,739
Relocation	$0
Architectural/Engineering	$1,070,100
Const. Interest, Perm. Financing	$4,189,203
Legal Fees	$222,846
Reserves	$512,356
Other Costs	$6,041,929
Developer Fee	$3,970,150
Commercial Costs	$0
Total	**$33,538,759**

Residential	
Construction Cost Per Square Foot:	$193
Per Unit Cost:	$549,816
Estimated Hard Per Unit Cost:	$229,563
True Cash Per Unit Cost*:	$497,520
Bond Allocation Per Unit:	$143,616
Bond Allocation Per Restricted Rental Unit:	$292,020

Construction Financing

Source	Amount
US Bank: Taxable	$16,089,411
US Bank: Tax-Exempt	$8,760,589
Net Operating Income	$55,933
Deferred Developer Fee	$4,311,872
Tax Credit Equity	$4,320,953

Permanent Financing

Source	Amount
Citibank: Tax-Exempt	$8,688,044
Net Operating Income	$55,933
Deferred Developer Fee	$3,190,015
Tax Credit Equity	$21,604,767
TOTAL	**$33,538,759**

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

Determination of Credit Amount(s)

Requested Eligible Basis:	$30,437,818
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	$39,569,163
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	$1,582,767
Total State Credit:	$9,131,345
Approved Developer Fee (in Project Cost & Eligible Basis):	$3,970,150
Federal Tax Credit Factor:	$0.84000
State Tax Credit Factor:	$0.91000

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

The applicant indicates that the water service will be will be billed to the tenants separately for their water usage by a 3rd party company. Accordingly, the units' utility allowances include a component for water. The applicant is aware that individual or sub-metering of the water service and direct billing of the tenants by a 3rd party company must follow certain IRS rules in order to be in compliance. In conjunction with the IRS rules, prior to the issuance of the IRS 8609 forms, CTCAC will need to confirm that the water service and tenant billing have been implemented correctly. In addition, the CTCAC Compliance Section will require specific information regarding the master water bill and each tenant's water usage and water bill when they inspect the project.

Pursuant to CTCAC Regulation Section 10326(g)(5), general partners and management companies lacking documented experience with Section 42 requirements using the minimum scoring standards at Section 10325(c)(2)(A) and (B) shall be required to complete training as prescribed by CTCAC prior to a project’s placing in service.

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-26-640 / Roadrunner Flats

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**
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 37% 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 91% less than the CDLAC adjusted TBL; 2 pts per %	12	12	12	12
Site Amenities	**10**	**10**	**10**	**10**
Within ½ mile of transit station or public bus stop	3	3	3	3
Within 1½ miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3	3
Within 1 mile of a public high school	3	3	3	3
Highest or High Resource Area	3	0	3	3
Total Points	**112**	**102**	**112**	**112**

Tie Breaker: 117.845%