

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2026 Second Round

October 6, 2026

Chowchilla Terrace and Oak Terrace II Apartments, located at two sites (see below), in Chowchilla and Oakhurst, requested and is being recommended for a reservation of \$618,589 in annual federal tax credits to finance the acquisition and rehabilitation of 72 units of housing serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Sunset Development Partners, LLC and City Development Partners LLC and is located in Senate District 14 and Assembly District 27.

Chowchilla Terrace and Oak Terrace II Apartments is a resyndication of an existing Low Income Housing Tax Credit (LIHTC) project, Chowchilla Terrace Apartments (CA-90-114). See Resyndication and Resyndication Transfer Event below for additional information. The project will be receiving rental assistance in the form of USDA RHS 521 Rental Assistance.

Project Number CA-26-073

Project Name	Chowchilla Terrace and Oak Terrace II Apartments	
Site Address:	Site 1:	Site 2:
	Chowchilla Terrace	Oak Terrace II
	201 Washington Road	48176 Lindsay Lane
	Chowchilla, CA 93610	Oakhurst, CA 93644
	County: Madera	County: Madera
	Census Tract: 0003.02	Census Tract: 0001.03

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$618,589	\$0
Recommended:	\$618,589	\$0

Applicant Information

Applicant:	MC Enterprises, LP
Contact:	Edward Mackay
Address:	531 Mill Road Auburn, CA 95603
Phone:	530-888-7097
Email:	beneficialhousing@gmail.com

General Partners / Principal Owners:	Edward Mackay Enterprises, LLC The Beneficial Housing Foundation
General Partner Type:	Joint Venture
Parent Companies:	Edward Mackay Enterprises, LLC The Beneficial Housing Foundation
Developer:	Sunset Development Partners, LLC City Development Partners LLC
Investor/Consultant:	Red Stone Equity Partners
Management Agent:	AWI Management Corporation

Project Information

Construction Type:	Acquisition and Rehabilitation
Total # Residential Buildings:	16
Total # of Units:	74
No. & % of Tax Credit Units:	72 100%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	USDA Rural Housing Service 521 (RHS) (72 units - 97%) / USDA Section 515 Rural Rental Housing

Information

Set-Aside:	Rural
Housing Type:	Seniors
CTCAC Project Analyst:	Jacob Paixao

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AMI:	8	10%
At or Below 40% AMI:	8	10%
At or Below 50% AMI (Rural):	36	50%
At or Below 60% AMI:	20	25%

Unit Mix

72	1-Bedroom Units
2	2-Bedroom Units
74	Total Units

Unit Type & Number	2026 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
4 1 Bedroom	30%	\$546
4 1 Bedroom	40%	\$728
18 1 Bedroom	50%	\$910
10 1 Bedroom	60%	\$1,092
4 1 Bedroom	30%	\$546
4 1 Bedroom	40%	\$728
18 1 Bedroom	50%	\$910
10 1 Bedroom	60%	\$1,092
1 2 Bedrooms	Manager's Unit	\$0
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,350,000
Construction Costs	\$0
Rehabilitation Costs	\$5,633,650
Construction Contingency	\$685,365
Relocation	\$185,000
Architectural/Engineering	\$250,000
Const. Interest, Perm. Financing	\$869,549
Legal Fees	\$215,000
Reserves	\$342,760
Other Costs	\$366,593
Developer Fee	\$1,318,710
Commercial Costs	\$0
Total	\$13,216,627

Residential

Construction Cost Per Square Foot:	\$110
Per Unit Cost:	\$178,603
True Cash Per Unit Cost*:	\$178,026

Construction Financing

Source	Amount
California Bank & Trust	\$8,500,000
USDA: Section 515 RRH ¹	\$2,039,328
Net Operating Income	\$377,320
Acquired Reserves	\$756,014
Deferred Developer Fee	\$368,645
Tax Credit Equity	\$1,175,320

Permanent Financing

Source	Amount
California Bank & Trust	\$5,300,000
USDA: Section 515 RRH ¹	\$2,039,328
Net Operating Income	\$377,320
Acquired Reserves	\$756,014
Deferred Developer Fee	\$42,689
Tax Credit Equity	\$4,701,276
TOTAL	\$13,216,627

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

¹Rural Rental Housing

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$6,877,710
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$6,877,710
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$618,589
Approved Developer Fee (in Project Cost & Eligible Basis):	\$1,318,710
Federal Tax Credit Factor:	\$0.76000

The "as if vacant" land value and the existing improvement value established at application, 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, unless a waiver has been granted for a purchase price not to exceed the sum of third party debt that will be assumed or paid off. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Tie-Breaker Information

First:	Seniors
Self-Score Final:	81.847%
CTCAC Final:	81.847%

Significant Information / Additional Conditions: None.

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-1990-114). 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.

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 must be re-qualified under the new reservation; the existing regulatory agreement (CA-1990-114) does not incorporate the required extended use language; existing households are NOT "grandfathered." The applicant should consult CTCAC compliance staff with questions about the re-qualification.

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 re-syndication occurring concurrently with a Transfer Event without distribution of Net Project Equity, and thus is waived from setting aside a Short Term Work Capitalized Replacement Reserve that is otherwise required.

Local Reviewing Agency

The Local Reviewing Agency, Madera County, has completed a site review of this project and strongly supports this project.

Standard Conditions

The applicant must submit all documentation required for a Carryover Allocation and any Readiness to Proceed Requirements elected. Failure to provide the documentation at the time required may result in rescission of the Credit reservation and cancellation of a carryover allocation.

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 performance deposit and allocation 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.

The applicant must ensure the project meets all Additional Threshold Requirements of the proposed project. If points were awarded for service amenities, the applicant will be required to provide such amenity or amenities identified in the application, for a minimum period of fifteen years and at no cost to the tenants. Applicants that received increases (exceptions to limits) in the threshold basis limit under Section 10327(c)(5) must submit the certification required by Section 10322(i) at project completion.

Points System	Max. Possible Points	Requested Points	Points Awarded
Owner / Management Characteristics	10	10	10
General Partner Experience	7	7	7
Management Experience	3	3	3
Housing Needs	10	10	10
Site Amenities	15	15	15
Within 1/3 mile of transit station or public bus stop	4	4	4
Within 1 mile of public park or community center open to general public	3	3	3
Within 2 miles of public library	2	2	2
Within 3 miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	2.5
Within 1 1/2 miles of an adult education campus or community college	3	0	1.5
Senior project within 1 mile of daily operated senior center/facility	3	3	0
Within 1 1/2 miles of medical clinic or hospital	2	2	2
Within 1 mile of a pharmacy	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3
Lowest Income	52	52	52
Basic Targeting	50	50	50
Deeper Targeting – at least 10% of Low Income Units @ 30% AMI or less	2	2	2
Readiness to Proceed	10	10	10
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	109	109

Please Note: If more than the maximum Site Amenity points were requested, not all amenities may have been scored and/or verified.

DO NOT RELY ON SCORING IN THIS COMPETITIVE CYCLE FOR FUTURE APPLICATIONS. ALL RE-APPLICATIONS ARE REVIEWED WITHOUT RELIANCE ON PAST SCORING.