

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2026 Second Round

October 6, 2026

Blue Phase, located at 224 Clark Street & 1137 C Street in Eureka, requested and is being recommended for a reservation of \$2,800,000 in annual federal tax credits and \$4,980,787 in total state tax credits to finance the new construction of 47 units of housing serving special needs tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Eureka Housing Development Corporation and will be located in Senate District 2 and Assembly District 2.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the Infill Infrastructure Grant (IIG) program of HCD.

Project Number CA-26-080

Project Name Blue Phase
Site Address: 224 Clark Street & 1137 C Street
Eureka, CA 95501
County: Humboldt
Census Tract: 0001.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,800,000	\$4,980,787
Recommended:	\$2,800,000	\$4,980,787

Applicant Information

Applicant: Clark I LP
Contact: Cheryl Churchill
Address: 735 West Everding Street
Eureka, CA 95503
Phone: (707) 443-4583
Email: cherylc@eurekahumboldtha.org

General Partners / Principal Owners: Clark I AGP LLC
Clark I MGP LLC
General Partner Type: Joint Venture
Parent Companies: Brinshore Development, L.L.C.
Eureka Housing Development Corporation
Developer: Eureka Housing Development Corporation
Investor/Consultant: R4 Capital Funding
Management Agent: Housing Authority of the City of Eureka

Project Information

Construction Type: New Construction
Total # Residential Buildings: 2
Total # of Units: 48
No. & % of Tax Credit Units: 47 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: HUD Section 8 Project-based Vouchers (47 Units - 98%)

Information

Set-Aside: Rural
Housing Type: Special Needs
Type of Special Needs: Older Adults in Need of Supportive Services
Average Targeted Affordability of Special Needs Project Units: 38.30%
% of Special Need Units: 47 units 100.00%
Geographic Area: N/A
CTCAC Project Analyst: Sabrina Yang

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percent of Required Affordable Units
At or Below 30% AMI:	30	35%
At or Below 40% AMI:	6	10%
At or Below 60% AMI:	11	20%

Unit Mix

47	1-Bedroom Units
1	2-Bedroom Units
48	Total Units

Unit Type & Number	2026 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
30 1 Bedroom	30%	\$546
6 1 Bedroom	40%	\$728
11 1 Bedroom	60%	\$1,092
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$6,020,000
Construction Costs	\$17,730,130
Rehabilitation Costs	\$1,323,815
Construction Contingency	\$1,753,162
Relocation	\$55,801
Architectural/Engineering	\$2,075,702
Const. Interest, Perm. Financing	\$2,585,306
Legal Fees	\$275,000
Reserves	\$225,836
Other Costs	\$1,570,901
Developer Fee	\$2,458,867
Commercial Costs	\$0
Total	\$36,074,520

Residential

Construction Cost Per Square Foot:	\$536
Per Unit Cost:	\$751,553
True Cash Per Unit Cost*:	\$746,159

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
R4 Capital	\$22,100,000	R4 Capital	\$1,957,800
HACE ¹ : IIG	\$2,103,700	HACE ¹ : IIG	\$2,103,700
Land Value	\$5,400,000	LIHTC PDR ²	\$100,000
Deferred Costs	\$2,532,712	Land Value	\$5,400,000
Tax Credit Equity	\$3,938,108	Deferred Developer Fee	\$258,867
		General Partner Equity	\$100
		Tax Credit Equity	\$26,254,053
		TOTAL	\$36,074,520

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

¹Housing Authority of the City of Eureka

²LIHTC Performance Deposit Refund

Determination of Credit Amount(s)

Requested Eligible Basis:	\$23,931,624
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$31,111,111
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$2,800,000
Total State Credit:	\$4,980,787
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,458,867
Federal Tax Credit Factor:	\$0.79000
State Tax Credit Factor:	\$0.83000

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:	Special Needs
Self-Score Final:	87.523%
CTCAC Final:	80.370%

Significant Information / Additional Conditions

The proposed rent does not include a utility allowance. The owner will pay for all utilities.

The project includes a LIHTC Performance Deposit Refund as a permanent funding source, which is not acceptable. However, initial application errors of the higher of \$100,000 or 50% of the contingency line item shall be deemed covered by the contingency line item under CTCAC regulation section 10327(a). The applicant must remove this funding source in all subsequent submissions to CTCAC, including the placed-in-service submission.

This application was submitted as a hybrid application. The project is comprised of a 9% component (CA-26-080) consisting of 48 units and a 4% component (CA-25-755) consisting of 142 units.

This project will include the new construction of a three-story building consisting of 44 total units and the rehabilitation of 4 existing, at-risk units across multiple buildings.

Resyndication and Resyndication Transfer Event: None.

Local Reviewing Agency

The Local Reviewing Agency has not yet completed a site review of this project. Any negative comments in the LRA report will cause this staff report to be revised to reflect such comments.

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 1/4 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 1 mile of public library	3	3	3
Within 2 miles of a full-scale grocery/supermarket of at least 25,000 sf	4	4	4
Within 1 1/2 miles of an adult education campus or community college	3	3	3
Special Needs project within 1/2 mile of facility serving tenant population	3	3	3
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
SPECIAL NEEDS, SRO HOUSING TYPES			
Case Manager, minimum ratio of 1 FTE to 100 bedrooms	5	5	5
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5
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
State Credit Substitution	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.