

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
Project Staff Report  
Qualified Private Activity Tax-Exempt Bond Project  
May 12, 2026**

Cherry Crossing II, located at 1360 Cherry Avenue in Sanger on a 2.26 acre site, requested and is being recommended for a reservation of \$1,684,417 in annual federal tax credits, \$6,352,178 in total state tax credits, and \$8,998,238 of tax-exempt bond cap to finance the new construction of 64 units of housing, consisting of 63 restricted rental units and 1 unrestricted manager's unit. The project will have 24 one-bedroom units, 24 two-bedroom units, and 16 three-bedroom units, serving farmworkers and families with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in November 2026 and be completed in February 2028. The project will be developed by Self-Help Enterprises and will be located in Senate District 14 and Assembly District 31.

The project financing includes state funding from the Permanent Local Housing Allocation (PLHA) and the Joe Serna, Jr. Farmworker Housing Grant (FWHG) programs of HCD.

**Project Number** CA-26-411

**Project Name** Cherry Crossing II  
Site Address: 1360 Cherry Avenue  
Sanger, CA 93657  
County: Fresno  
Census Tract: 0061.02

**Tax Credit Amounts**

	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$1,684,417	\$6,352,178
Recommended:	\$1,684,417	\$6,352,178

\*Farmworker State Credits

**Tax-Exempt Bond Allocation**

Recommended: \$8,998,238

**CTCAC Applicant Information**

CTCAC Applicant/CDLAC Sponsor: Self-Help Enterprises  
Contact: Betsy McGovern-Garcia  
Address: 8445 West Elowin Court  
Visalia, CA 93291  
Phone: 559-802-1653  
Email: Betsy McGovern-Garcia

**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 Partner / Principal Owner:	Cherry Crossing II LLC
General Partner Type:	Nonprofit
Parent Company:	Cherry Crossing II LLC
Developer:	Self-Help Enterprises
Investor/Consultant:	Community Economics, Inc.
Management Agent:	AWI Management Corporation

**Project Information**

Construction Type:	New Construction	
Total # Residential Buildings:	4	
Total # of Units:	64	
No. / % of Low Income Units:	63	100.00%
Average Targeted Affordability:	47.70%	
Federal Set-Aside Elected:	40%/60%	
Federal Subsidy:	Tax-Exempt	

**Information**

Housing Type:	Large Family
Geographic Area:	Inland Region
State Ceiling Pool:	New Construction
CDLAC Project Analyst:	Brandon Medina
CTCAC Project Analyst:	Rachel Bursk

**55-Year Use / Affordability**

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	13	21%
45% AMI:	13	21%
50% AMI:	19	30%
60% AMI:	18	29%

**Unit Mix**

24	1-Bedroom Units
24	2-Bedroom Units
16	3-Bedroom Units
64	Total Units

<u>Unit Type &amp; Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 1 Bedroom	30%	\$528
4 1 Bedroom	45%	\$793
7 1 Bedroom	50%	\$881
7 1 Bedroom	60%	\$1,057
4 2 Bedrooms	30%	\$634
4 2 Bedrooms	45%	\$951
7 2 Bedrooms	50%	\$1,057
8 2 Bedrooms	60%	\$1,268
3 3 Bedrooms	30%	\$732
5 3 Bedrooms	45%	\$1,099
5 3 Bedrooms	50%	\$1,221
3 3 Bedrooms	60%	\$1,465
1 2 Bedrooms	Manager's Unit	\$0

### **Project Cost Summary at Application**

Land and Acquisition	\$428,235
Construction Costs	\$24,172,102
Construction Hard Cost Contingency	\$1,213,605
Soft Cost Contingency	\$250,000
Architectural/Engineering	\$850,000
Const. Interest, Perm. Financing	\$1,643,612
Legal Fees	\$161,000
Reserves	\$315,028
Other Costs	\$1,745,652
Developer Fee	\$3,000,000
<b>Total</b>	<b>\$33,779,234</b>

### **Residential**

Construction Cost Per Square Foot:	\$450
Per Unit Cost:	\$527,801
Estimated Hard Per Unit Cost:	\$327,689
True Cash Per Unit Cost*:	\$519,988
Bond Allocation Per Unit:	\$140,597
Bond Allocation Per Restricted Rental Unit:	\$142,829

<b><u>Construction Financing</u></b>		<b><u>Permanent Financing</u></b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
US Bank: Tax-Exempt	\$8,998,238	HCD: FWHG	\$11,752,776
US Bank: Taxable	\$5,874,639	HCD: PLHA	\$2,670,353
HCD: FWHG	\$11,752,776	Deferred Developer Fee	\$500,000
HCD: PLHA	\$2,670,353	General Partner Equity	\$100
General Partner Equity	\$100	Tax Credit Equity	\$18,856,005
Tax Credit Equity	\$1,902,101	<b>TOTAL</b>	<b>\$33,779,234</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$32,392,629
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$42,110,418
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,684,417
Total State Credit:	\$6,352,178
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,000,000
Federal Tax Credit Factor:	\$0.81020
State Tax Credit Factor:	\$0.82000

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.

**CTCAC Significant Information / Additional Conditions**

Projects requesting State Tax Credits for Farmworker Housing must restrict occupancy of at least fifty percent (50%) of the units to Farmworkers and their households pursuant to CTCAC Regulations Sections 10302(bb) and (cc). The Committee may permit an owner to temporarily house non farmworkers in vacant units in the event of a disaster or other critical occurrence. However, such emergency shelter shall only be permitted if there are no pending qualified farmworker household applications for residency.

**CDLAC Analyst Comments:** 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- / Cherry Crossing II**

Points System	Max. Possible		Points Requested	Points Awarded
	New Const.	Rehab.		
<b>New Construction Density and Local Incentives</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>10</b>
Project meets CDLAC § 5105(c)(1)	10	0	10	10
<b>Exceeding Minimum Income Restrictions</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
Average targeted affordability is 12 percent below 60%	20	0	20	20
<b>Exceeding Minimum Rent Restrictions</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Average targeted affordability is 11% below market comparables	10	10	10	10
<b>General Partner &amp; Management Company</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
General Partner Experience	7	7	7	7
Management Company Experience	3	3	3	3
<b>Housing Needs</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>10</b>
<b>Readiness to Proceed</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Access to Opportunity</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>10</b>
High or Highest Resource Area; 10% @ 30% AMI, 10% @ 50% AMI	10	0	10	10
<b>Service Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES; NON-TARGETED</b>				
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
<b>Cost Containment</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>
Project eligible basis is 93% less than the CDLAC adjusted TBL; 2 pts per %	12	12	12	12
<b>Site Amenities</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
Within ½ mile of transit station or public bus stop	3	3	3	3
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 1½ miles of a full-scale grocery/supermarket of at least 25,000 sf	3	3	3	3
Within ¼ mile of a public elementary school	3	3	3	3
Within 1 mile of medical clinic or hospital	2	2	2	2
Highest or High Resource Area	3	0	3	3
Farmworker or Native American Housing	5	5	5	5
<b>Total Points</b>	<b>112</b>	<b>102</b>	<b>112</b>	<b>112</b>

**Tie Breaker:**

98.310%