

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

Seaward Affordable Apartments, located at 158 West Seaward Avenue in San Ysidro on a 0.43 acre site, requested and is being recommended for a reservation of \$1,555,993 in annual federal tax credits and \$8,229,631 of tax-exempt bond cap to finance the new construction of 70 units of housing, consisting of 69 restricted rental units and 1 unrestricted manager's unit. The project will have 25 one-bedroom units, 25 two-bedroom units, and 20 three-bedroom units, serving 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 May 2029. The project will be developed by Mirka Investments, LLC and will be located in Senate District 18 and Assembly District 80.

Project Number CA-26-475

Project Name Seaward Affordable Apartments
Site Address: 158 West Seaward Avenue
San Ysidro, CA 92173
County: San Diego
Census Tract: 10013.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,555,993	\$0
Recommended:	\$1,555,993	\$0

Tax-Exempt Bond Allocation
Recommended: \$8,229,631

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Mirka Investments, LLC
Contact: Kursat Misirlioglu
Address: 600 B. Street, Suite 300
San Diego, CA 92101
Phone: (619) 599-3852
Email: kursatm@mirkainvest.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: California Bank & Trust

Development Team

General Partners / Principal Owners: Mirka Investments, LLC
 General Partner Type: Joint Venture
 Parent Company: Mirka Investments, LLC
 Developer: Mirka Investments, LLC
 Investor/Consultant: WNC
 Management Agent: Hyder Company

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 70
 No. / % of Low Income Units: 69 100.00%
 Average Targeted Affordability: 55.94%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Large Family
 Geographic Area: Coastal Region
 State Ceiling Pool: New Construction
 CDLAC Project Analyst: Amit Sarang
 CTCAC Project Analyst: Jacob Paixao

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	7	10%
50% AMI:	7	10%
60% AMI:	55	80%

Unit Mix

25	1-Bedroom Units
25	2-Bedroom Units
20	3-Bedroom Units
70	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
10 1 Bedroom	60%	\$1,860
7 1 Bedroom	50%	\$1,550
7 1 Bedroom	30%	\$930
25 2 Bedrooms	60%	\$2,233
20 3 Bedrooms	60%	\$2,580
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1
Construction Costs	\$18,947,159
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$924,612
Soft Cost Contingency	\$201,787
Relocation	\$0
Architectural/Engineering	\$1,057,244
Const. Interest, Perm. Financing	\$2,746,204
Legal Fees	\$495,000
Reserves	\$240,313
Other Costs	\$2,521,361
Developer Fee	\$3,903,382
Commercial Costs	\$0
Total	\$31,037,063

Residential

Construction Cost Per Square Foot:	\$318
Per Unit Cost:	\$443,387
Estimated Hard Per Unit Cost:	\$239,776
True Cash Per Unit Cost*:	\$409,004
Bond Allocation Per Unit:	\$117,566
Bond Allocation Per Restricted Rental Unit:	\$119,270

Construction Financing

Source	Amount
CBT ¹ : Tax-Exempt	\$8,229,631
CBT ¹ : Taxable	\$14,145,667
Deferred Costs	\$2,100,450
Deferred Developer Fee	\$2,406,814
Tax Credit Equity	\$4,154,501

Permanent Financing

Source	Amount
CBT ¹ : Tax-Exempt	\$8,229,631
CBT ¹ : Taxable	\$6,552,282
Deferred Developer Fee	\$2,406,814
Tax Credit Equity	\$13,848,336
TOTAL	\$31,037,063

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

¹California Bank Trust

Determination of Credit Amount(s)

Requested Eligible Basis:	\$29,925,931
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$38,903,710
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,555,993
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,903,382
Federal Tax Credit Factor:	\$0.89000

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

The project's 3-month operating reserve is less than the amount required under regulation section 10327(c)(7)(B) by \$105,396. Under regulation section 10327(a) initial application errors of 50% of the contingency line item shall be deemed covered by the contingency line item. However, at the submission of the next updated CTCAC application required by CTCAC, and all subsequent submissions to CTCAC, including the placed-in-service submission for the issuance of the IRS 8609 forms, the applicant must fund the 3-month operating reserve at a level that meets the requirement of regulation section 10327(c)(7)(B).

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.

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-26-475 / Seaward Affordable Apartments

Points System	Max. Possible		Points Requested	Points Awarded
	New Const.	Rehab.		
New Construction Density and Local Incentives	10	0	10	10
Project density is at least 100 bedrooms/net acre	10	0	10	10
Exceeding Minimum Income Restrictions	20	20	20	20
Tax Credit Units: 10% @ <=30% AMI & 10% @ <=50% AMI	20	0	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	9	9
10% @ 30% AMI, 10% @ 50% AMI	9	0	9	9
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
Health & wellness services and programs, minimum 100 hrs per 100 bdrms	5	5	5	5
Cost Containment	12	12	12	12
Project eligible basis is 40% less than the CDLAC adjusted TBL; 1 pt per %	12	12	12	12
Site Amenities	10	10	10	10
Within 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3	3
Within 1/2 mile of public library	3	3	3	3
Within 1 mile of an adult education campus or community college	3	3	3	3
Within 1/2 mile of medical clinic or hospital	3	3	3	3
Within 1/2 mile of a pharmacy	2	2	2	2
Total Points	112	102	111	111

Tie Breaker:

282.633%