

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

Potiker Family Senior Residence, located at 525 14th Street in San Diego on a 0.92 acre site, requested and is being recommended for a reservation of \$2,590,109 in annual federal tax credits and \$17,700,000 of tax-exempt bond cap to finance the acquisition & rehabilitation of 200 units of housing, consisting of 198 restricted rental units and 2 unrestricted manager's units. The project has 198 studio units, 2 one-bedroom units, serving tenants with rents affordable to households earning 30%-45% of area median income (AMI). The construction is expected to begin in December 2026 and be completed in December 2028. The project will be developed by Senior Housing Corporation and is located in Senate District 39 and Assembly District 77.

Potiker Family Senior Residence is a resyndication of an existing Low Income Housing Tax Credit (LIHTC) project, Market Square Manor (CA-2001-100). See Resyndication and Resyndication Transfer Event below for additional information. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number CA-26-519

Project Name Potiker Family Senior Residence
Site Address: 525 14th Street
San Diego, CA 92101
County: San Diego
Census Tract: 0051.01

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,590,109	\$0
Recommended:	\$2,590,109	\$0

Tax-Exempt Bond Allocation
Recommended: \$17,700,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Potiker Senior Housing LP
Contact: Melinda Forstey
Address: 525 14th Street, Suite 200
San Diego, CA 92101
Phone: 619-487-0644
Email: melinda.forstey@servingseniors.org

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Housing Finance Agency
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Banner Bank

Development Team

General Partners / Principal Owners: San Diego SHC Housing, LLC
 West Senior Wellness Center
 General Partner Type: Nonprofit
 Parent Companies: Senior Housing Corporation
 Serving Seniors
 Developer: Senior Housing Corporation
 Investor/Consultant: The Richman Group
 Management Agent: Hyder Property Management

Project Information

Construction Type: Acquisition & Rehabilitation
 Total # Residential Buildings: 1
 Total # of Units: 200
 No. / % of Low Income Units: 198 100.00%
 Average Targeted Affordability: 39.95%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Contract (36 Units - 18%)

Information

Housing Type: SRO
 Geographic Area: Coastal Region
 State Ceiling Pool: Acquisition/Rehabilitation
 CDLAC Project Analyst: Anthony Wey
 CTCAC Project Analyst: Sabrina Yang

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	38	19%
40% AMI:	86	43%
45% AMI:	74	37%

Unit Mix

198	SRO/Studio Units
2	1-Bedroom Units
200	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
36 SRO/Studio	45%	\$1,302
23 SRO/Studio	45%	\$1,302
15 SRO/Studio	45%	\$1,168
50 SRO/Studio	40%	\$969
36 SRO/Studio	40%	\$1,157
38 SRO/Studio	30%	\$750
2 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$36,150,000
Construction Costs	\$0
Rehabilitation Costs	\$13,800,000
Construction Hard Cost Contingency	\$1,380,000
Soft Cost Contingency	\$307,104
Relocation	\$1,320,000
Architectural/Engineering	\$435,000
Const. Interest, Perm. Financing	\$6,432,757
Legal Fees	\$415,000
Reserves	\$633,057
Other Costs	\$1,187,397
Developer Fee	\$4,783,810
Commercial Costs	\$0
Total	\$66,844,125

Residential

Construction Cost Per Square Foot:	\$177
Per Unit Cost:	\$334,221
Estimated Hard Per Unit Cost:	\$60,526
True Cash Per Unit Cost*:	\$201,677
Bond Allocation Per Unit:	\$88,500
Bond Allocation Per Restricted Rental Unit:	\$89,394

Construction Financing

Source	Amount
Banner Bank: Tax-Exempt	\$17,700,000
Banner Bank: Recycled TE ¹	\$1,000,000
Banner Bank: Taxable	\$2,489,097
Seller Carryback	\$23,690,244
SDHC ²	\$5,931,571
SCCSD ³	\$4,687,280
Deferred Costs	\$9,196,141
Tax Credit Equity	\$2,149,791

Permanent Financing

Source	Amount
Banner Bank: Tax-Exempt	\$5,260,000
Seller Carryback	\$23,690,244
SDHC ²	\$5,931,571
SCCSD ³	\$4,687,280
Accrued Interest	\$2,958,735
Deferred Developer Fee	\$2,818,390
Tax Credit Equity	\$21,497,905
TOTAL	\$66,844,125

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

¹Tax-Exempt

²San Diego Housing Commission

³Senior Community Centers of San Diego

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$24,811,710
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$32,497,500
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$32,255,223
Qualified Basis (Acquisition):	\$32,497,500
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$1,290,209
Maximum Annual Federal Credit, Acquisition:	\$1,299,900
Total Maximum Annual Federal Credit:	\$2,590,109
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,783,810
Federal Tax Credit Factor:	\$0.83000

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

Tax-Exempt Bond Projects may receive a reservation of tax credits with the condition to provide the applicable subsidy commitment no later than the CDLAC bond issuance deadline. The source, monthly contract rent, annual amount (if applicable), term, number of units receiving assistance, and expiration date of each subsidy must be included.

CDLAC Analyst Comments: None.

Resyndication and Resyndication Transfer Event:

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 determined to be income-qualified for purposes of IRC §42 credit during the 15-year compliance period are concurrently income-qualified households for purposes of the extended use agreement. As a result, any household determined to be income qualified at the time of move-in under the existing regulatory agreement (CA-01-100) is a qualified low-income household for the subsequent allocation (existing household eligibility is “grandfathered”).

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.

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-26-519 / Potiker Family Senior Residence

Points System	Max. Possible		Points Requested	Points Awarded
	New Const.	Rehab.		
Acquisition/Rehabilitation Project Priorities	0	20	18	18
No distribution of net project equity to GP/related party	0	10	10	10
No partial/full repayment of existing soft financing >500k or 1.5% TDC				
Cash-out developer fee limited to 80% of CTCAC cash-out limit				
SRO project adding bath & complete kitchens, all units	0	8	8	8
Exceeding Minimum Income Restrictions	20	20	20	20
Average targeted affordability is 20 percent below 60%	20	0	20	20
Exceeding Minimum Rent Restrictions	10	10	10	10
Average targeted affordability is 39% 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
Readiness to Proceed	10	10	10	10
Service Amenities	10	10	10	10
SPECIAL NEEDS, SRO HOUSING TYPES; NON-TARGETED				
Service Coordinator/Other Services Specialist, min. ratio 1 FTE to 360 bdrms	5	5	5	5
Adult ed/health & wellness/skill bldg classes, min. 84 hrs/yr instruction	5	5	5	5
Cost Containment	12	12	12	12
Project eligible basis is 61% 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 library	3	3	3	3
Within 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5	5
Within 1 mile of medical clinic or hospital	2	2	2	2
Within 1/2 mile of a pharmacy	2	2	2	2
Total Points	112	102	100	100

Tie Breaker:

411.110%