

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

The project, 4th and Penn, located at 3703 4th Avenue in San Diego on a 0.21 acre site, requested and is being recommended for a reservation of \$1,813,763 in annual federal tax credits and \$10,600,000 of tax-exempt bond cap to finance the new construction of 75 units of housing, consisting of 74 restricted rental units and 1 unrestricted manager's unit. The project will have 36 studio units, 33 one-bedroom units, and 6 two-bedroom units, serving seniors with rents affordable to households earning 30%-60% of area median income (AMI). The construction is expected to begin in October 2026 and be completed in June 2028. The project will be developed by Hampstead Development Partners, Inc. and will be located in Senate District 39 and Assembly District 78.

Project Number CA-26-524

Project Name 4th and Penn
Site Address: 3703 4th Avenue
San Diego, CA 92103

County: San Diego
Census Tract: 0003.02

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$1,813,763	\$0
Recommended:	\$1,813,763	\$0

Tax-Exempt Bond Allocation
Recommended: \$10,600,000

CTCAC Applicant Information

CTCAC Applicant/CDLAC Sponsor: Fourth & Penn Community Partners, LP
Contact: Greg Gossard
Address: 1350 Columbia Street, Suite 802
San Diego, CA 92101
Phone: 619-543-4204
Email: greg@hampstead.com

Bond Financing Information

CDLAC Applicant/Bond Issuer: California Housing Finance Agency
Bond Counsel: Orrick, Herrington & Sutcliffe LLP
Private Placement Purchaser: Citi Community Capital

Development Team

General Partners / Principal Owners: Fourth & Penn GP, LLC
 Fourth & Penn MGP, LLC
 General Partner Type: Joint Venture
 Parent Companies: Rise Urban Partners, LLC & Hampstead Development Partners, LLC
 Fourth & Penn MGP, LLC
 Developer: Hampstead Development Partners, Inc.
 Investor/Consultant: WNC
 Management Agent: CONAM Management Corporation

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 75
 No. / % of Low Income Units: 74 100.00%
 Average Targeted Affordability: 55.68%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Seniors
 Geographic Area: Coastal Region
 State Ceiling Pool: New Construction
 CDLAC Project Analyst: Amit Sarang
 CTCAC Project Analyst: Mena Barase

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	8	11%
50% AMI:	8	11%
60% AMI:	58	78%

Unit Mix

36	SRO/Studio Units
33	1-Bedroom Units
6	2-Bedroom Units
<u>75</u>	<u>Total Units</u>

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
4 SRO/Studio	30%	\$868
4 SRO/Studio	50%	\$1,447
28 SRO/Studio	60%	\$1,737
3 1 Bedroom	30%	\$930
3 1 Bedroom	50%	\$1,550
26 1 Bedroom	60%	\$1,860
1 2 Bedrooms	30%	\$1,116
1 2 Bedrooms	50%	\$1,861
4 2 Bedrooms	60%	\$2,233
1 1 Bedroom	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$3,843,360
Construction Costs	\$23,354,677
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,168,408
Soft Cost Contingency	\$100,000
Relocation	\$0
Architectural/Engineering	\$1,892,595
Const. Interest, Perm. Financing	\$2,493,601
Legal Fees	\$300,000
Reserves	\$334,251
Other Costs	\$2,200,054
Developer Fee	\$4,549,572
Commercial Costs	\$0
Total	\$40,236,518

Residential

Construction Cost Per Square Foot:	\$428
Per Unit Cost:	\$536,487
Estimated Hard Per Unit Cost:	\$277,745
True Cash Per Unit Cost*:	\$507,049
Bond Allocation Per Unit:	\$141,333
Bond Allocation Per Restricted Rental Unit:	\$143,243

Construction Financing

Source	Amount
Citibank: Tax-Exempt	\$10,600,000
Citibank: Recycled Tax-Exempt	\$4,000,000
Citibank: Taxable	\$3,894,000
Green Vistas, LLC	\$13,000,000
Deferred Developer Fee	\$2,207,865
Tax Credit Equity	\$6,534,653

Permanent Financing

Source	Amount
Citibank: Tax-Exempt	\$10,520,000
Green Vistas, LLC	\$13,000,000
Deferred Developer Fee	\$2,207,865
Tax Credit Equity	\$14,508,653
TOTAL	\$40,236,518

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$34,880,053
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$45,344,069
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,813,763
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,549,572
Federal Tax Credit Factor:	\$0.79992

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: None.

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-26-524 / 4th and Penn

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 29% 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. 84 hrs/yr instruction	7	7	7	7
Health & wellness services and programs, minimum 60 hrs per 100 bdrms	3	3	3	3
Cost Containment	12	12	12	12
Project eligible basis is 28% less that 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 1/2 mile of a full-scale grocery/supermarket of at least 25,000 sf	5	5	5	5
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:

165.858%