

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2025 Second Round

September 30, 2025

The project, 125 Mason Street Apartments, located at 125 Mason Street in San Francisco, requested and is being recommended for a reservation of \$1,871,347 in annual federal tax credits and \$6,237,824 in total state tax credits to finance the rehabilitation of 80 units of housing serving families with rents affordable to households earning 45%-60% of area median income (AMI). The project will be developed by Tenderloin Neighborhood Development Corporation and is located in Senate District 11 and Assembly District 17.

125 Mason Street Apartments is a resyndication of an existing Low Income Housing Tax Credit (LIHTC) project, 125 Mason Street (CA-2007-861). See Resyndication and Resyndication Transfer Event below for additional information.

Project Number CA-25-097

Project Name 125 Mason Street Apartments
Site Address: 125 Mason Street
San Francisco, CA 94102
County: San Francisco
Census Tract: 125.03

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,871,347	\$6,237,824
Recommended:	\$1,871,347	\$6,237,824

* The applicant made an election to sell (Certificate) all or any portion of the state credits.

Applicant Information

Applicant: Tenderloin Neighborhood Development Corporation
Contact: Katherine Lamont
Address: 201 Eddy Street
San Francisco, CA 94102
Phone: 415-358-3933
Email: klamont@tndc.org

General Partner / Principal Owner: Mason 125 LLC
General Partner Type: Nonprofit
Parent Company: Mason 125 LLC
Developer: Tenderloin Neighborhood Development Corporation
Investor/Consultant: California Housing Partnership
Management Agents: The John Stewart Company

Project Information

Construction Type: Rehabilitation-Only
Total # Residential Buildings: 1
Total # of Units: 81
No. & % of Tax Credit Units: 80 100%
Federal Set-Aside Elected: 40%/60%
Federal Subsidy: None.

Information

Set-Aside: N/A
Housing Type: Large Family
Geographic Area: San Francisco County
CTCAC Project Analyst: Jacob Paixao

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percent of Required Affordable Units</u>
At or Below 45% AMI:	28	35%
At or Below 50% AMI:	32	40%
At or Below 60% AMI:	20	25%

Unit Mix

22	1-Bedroom Units
34	2-Bedroom Units
20	3-Bedroom Units
5	4-Bedroom Units
81	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
16 1 Bedroom	45%	\$1,632
2 1 Bedroom	50%	\$1,813
4 1 Bedroom	60%	\$1,768
12 2 Bedrooms	45%	\$1,958
7 2 Bedrooms	50%	\$2,048
5 2 Bedrooms	50%	\$2,118
9 2 Bedrooms	60%	\$2,093
15 3 Bedrooms	50%	\$2,326
5 3 Bedrooms	60%	\$2,138
3 4 Bedrooms	50%	\$2,334
2 4 Bedrooms	60%	\$2,354
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$6,438,127
Construction Costs	\$0
Rehabilitation Costs	\$13,406,864
Construction Contingency	\$2,031,502
Relocation	\$0
Architectural/Engineering	\$950,065
Const. Interest, Perm. Financing	\$1,843,577
Legal Fees	\$75,000
Reserves	\$478,680
Other Costs	\$818,564
Developer Fee	\$2,500,000
Commercial Costs	\$0
Total	\$28,542,379

Residential

Construction Cost Per Square Foot:	\$109
Per Unit Cost:	\$352,375
True Cash Per Unit Cost*:	\$343,733

Construction Financing

Source	Amount
JP Morgan Chase	\$17,647,601
MOHCD ¹ : PASS Market Rate	\$5,481,000
MOHCD ¹ : Bridge Loan	\$1,000,000
Deferred Costs	\$1,416,890
Net Operating Income	\$250,000
Deferred Developer Fee	\$700,000
General Partner Equity	\$82,580
Tax Credit Equity	\$1,964,309

Permanent Financing

Source	Amount
MOHCD ¹ : PASS Market Rate	\$3,532,200
MOHCD ¹ : PASS BMR ²	\$1,948,800
MOHCD ¹ : PASS Deferred	\$319,000
Net Operating Income	\$516,713
Deferred Developer Fee	\$700,000
General Partner Equity	\$82,580
Tax Credit Equity	\$21,443,086
TOTAL	\$28,542,379

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

¹Mayor's Office of Housing and Community Development

²Below Market Rate

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	\$20,792,748
130% High Cost Adjustment:	No
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	\$20,792,748
Applicable Rate:	9.00%
Total Maximum Annual Federal Credit:	\$1,871,347
Total State Credit:	\$6,237,824
Approved Developer Fee (in Project Cost & Eligible Basis):	\$2,500,000
Federal Tax Credit Factor:	\$0.87920
State Tax Credit Factor:	\$0.80000

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

Initial:	Letter of Support
First:	Large Family
Self-Score Final:	14.693%
CTCAC Final:	14.693%

Significant Information / Additional Conditions:

The applicant requested and was granted a waiver for the recreational facilities requirement for children ages 13-17 under CTCAC Regulation Section 10325(g)(1)(D). The applicant has demonstrated availability of play or recreational facilities suitable for children ages 2-13 in the form of a nearby and readily accessible public park with recreational facilities adjacent to the proposed project. The public park's recreational facilities includes basketball courts and a playground.

Resyndication and Resyndication Transfer Event

Prior to closing, the applicant or its assignee shall obtain CTCAC's consent to assign and assume the existing Regulatory Agreement (CA-2007-861). To be eligible for a new award of tax credits, the owner must provide documentation with the Form 8609 request (the placed in service submission) that the acquisition date and the placed in service date both occurred after the existing federal 15 year compliance period was completed.

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-2007-861) 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.

Local Reviewing Agency

The Local Reviewing Agency, Mayor's Office of Housing & Community Development, has completed a site review of this project and strongly supports this project.

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)(2) 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 1/3 mile of transit, service every 30 min, 25 units/acre density	7	7	7
Within 1/2 mile of public park or community center open to general public	3	3	3
Within 1 mile of public library	2	2	2
Within 1 mile of medical clinic or hospital	2	2	2
Within 1/2 mile of a pharmacy	2	2	2
In-unit high speed internet service	2	2	2
Service Amenities	10	10	10
LARGE FAMILY, SENIOR, AT-RISK HOUSING TYPES			
Service Coordinator, minimum ratio of 1 FTE to 600 bedrooms	5	5	5
After school program for school age children, minimum of 10 hours/week	5	5	5
Lowest Income	52	46	46
Basic Targeting	50	46	46
Readiness to Proceed	10	0	0
Miscellaneous Federal and State Policies	2	2	2
Smoke Free Residence	2	2	2
Total Points	109	93	93

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.