

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
 CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
 Project Staff Report
 Qualified Private Activity Tax-Exempt Bond Project
 August 5, 2025**

San Simeon Oaks Village, located at Intersection of San Marcos Road & San Simeon Drive in Santa Barbara on a 3.65 acre site, requested and is being recommended for a reservation of \$2,787,765 in annual federal tax credits and \$28,145,704 of tax-exempt bond cap to finance the new construction of 106 units of housing, consisting of 105 restricted rental units and 1 unrestricted manager's unit. The project will have 51 one-bedroom units, 26 two-bedroom units, and 29 three-bedroom units, serving families with rents affordable to households earning 30%-70% of area median income (AMI). The construction is expected to begin in February 2026 and be completed in December 2027. The project will be developed by Red Tail Multifamily Land Development, LLC and will be located in Senate District 21 and Assembly District 37.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers.

Project Number CA-25-559

Project Name San Simeon Oaks Village
 Site Address: Intersection of San Marcos Road & San Simeon Drive
 Santa Barbara, CA 93111
 County: Santa Barbara
 Census Tract: 0030.04

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,787,765	\$0
Recommended:	\$2,787,765	\$0

Tax-Exempt Bond Allocation
 Recommended: \$28,145,704

CTCAC Applicant Information
 CTCAC Applicant/CDLAC Sponsor: FLT San Simeon Oaks, L.P.
 Contact: Ron Wu
 Address: 2082 Michelson Drive
 Irvine, CA 92612
 Phone: (415) 757-8639
 Email: rwu@rtacq.com

Bond Financing Information
 CDLAC Applicant/Bond Issuer: Housing Authority of the County of Santa Barbara
 Bond Counsel: Jones Hall, A Professional Law Corporation
 Private Placement Purchaser: Citibank, N.A.
 Cash Flow Permanent Bond: Not Applicable
 Public Sale: Unenhanced/Unrated
 Underwriter: Not Applicable
 Credit Enhancement Provider: Not Applicable
 Rating: Not Applicable
 Denomination: Not Applicable

Development Team

General Partners / Principal Owners:	Surf Development Company FLT San Simeon Oaks AGP, LLC
General Partner Type:	Joint Venture
Parent Companies:	Surf Development Company FLT Equity, LLC
Developer:	Red Tail Multifamily Land Development, LLC
Investor/Consultant:	Redstone Equity Partners
Management Agent:	Housing Authority of the County of Santa Barbara

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	5
Total # of Units:	106
No. / % of Low Income Units:	105 100.00%
Average Targeted Affordability:	59.81%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (8 Units - 8%)

Information

Housing Type:	Large Family
Geographic Area:	Coastal Region
State Ceiling Pool:	New Construction
Set Aside:	N/A
Homeless Set Aside Units:	N/A
CDLAC Project Analyst:	Sarah Lester
CTCAC Project Analyst:	Cynthia Compton

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	11	10%
50% AMI:	18	17%
60% AMI:	27	26%
70% AMI*:	49	47%

*CTCAC restricted only

Unit Mix

51	1-Bedroom Units
26	2-Bedroom Units
29	3-Bedroom Units
106	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
6 1 Bedroom	30%	\$993
8 1 Bedroom	50%	\$1,655
12 1 Bedroom	60%	\$1,986
25 1 Bedroom	70%	\$2,317
3 2 Bedrooms	30%	\$1,191
5 2 Bedrooms	50%	\$1,986
5 2 Bedrooms	60%	\$2,383
12 2 Bedrooms	70%	\$2,780
2 3 Bedrooms	30%	\$1,377
5 3 Bedrooms	50%	\$2,295
10 3 Bedrooms	60%	\$2,754
12 3 Bedrooms	70%	\$3,213
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$0
Construction Costs	\$33,258,836
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,501,147
Soft Cost Contingency	\$830,000
Relocation	\$0
Architectural/Engineering	\$1,500,000
Const. Interest, Perm. Financing	\$5,104,772
Legal Fees	\$875,000
Reserves	\$651,266
Other Costs	\$5,190,729
Developer Fee	\$6,992,721
Commercial Costs	\$0
Total	\$56,904,471

Residential

Construction Cost Per Square Foot:	\$341
Per Unit Cost:	\$536,835
Estimated Hard Per Unit Cost:	\$272,264
True Cash Per Unit Cost*:	\$484,709
Bond Allocation Per Unit:	\$265,526
Bond Allocation Per Restricted Rental Unit:	\$502,602

Construction Financing

<u>Source</u>	<u>Amount</u>
Citibank: Tax-Exempt	\$28,145,704
Citibank: Taxable	\$13,227,715
Tax Credit Equity	\$3,483,572
Deferred Costs	\$12,047,480

Permanent Financing

<u>Source</u>	<u>Amount</u>
Citibank: Tax-Exempt	\$26,719,674
Santa Barbara County	\$1,100,000
Deferred Developer Fee	\$5,525,370
Solar Tax Credit Equity	\$423,300
Tax Credit Equity	\$23,136,127
TOTAL	\$56,904,471

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$53,610,864
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$69,694,123
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,787,765
Approved Developer Fee (in Project Cost & Eligible Basis):	\$6,992,721
Federal Tax Credit Factor:	\$0.82992

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.

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 50% 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. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.

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).

Point Criteria	New Const. Max. Points	Rehabilitation Max. Points	Points Scored
Preservation and Other Rehabilitation Project Priorities	0	20	0
New Construction Density and Local Incentives	10	0	10
Exceeding Minimum Income Restrictions	20	20	20
Exceeding Minimum Rent Restrictions	10	10	10
General Partner Experience	7	7	7
Management Company Experience	3	3	3
Housing Needs	10	0	10
Leveraged Soft Resources	8	8	8
Readiness to Proceed	10	10	10
Affirmatively Furthering Fair Housing	10	0	10
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	120

The criteria for which points are awarded will also be incorporated into the Resolution transferring Allocation to the Applicant as well as the appropriate bond documents and loan and finance agreements.

Tie Breaker: 132.909%