

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

Pinnacle Pass Apartments, located at 75 Mount Hermon Road in Scotts Valley on a 1.92 acre site, requested and is being recommended for a reservation of \$1,916,257 in annual federal tax credits and \$7,999,991 in total state tax credits and \$22,618,095 of tax-exempt bond cap to finance the new construction of 40 units of housing, consisting of 39 restricted rental units and 1 unrestricted manager's unit. The project will have 23 two-bedroom units, and 17 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 November 2027. The project will be developed by CRP Affordable Housing and Community Development LLC and will be located in Senate District 17 and Assembly District 28.

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

**Project Number** CA-25-591

**Project Name** Pinnacle Pass Apartments  
Site Address: 75 Mount Hermon Road  
Scotts Valley, CA 95066  
County: Santa Cruz  
Census Tract: 1208.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total *</b>
Requested:	\$1,916,257	\$7,999,991
Recommended:	\$1,916,257	\$7,999,991

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

**Tax-Exempt Bond Allocation**  
Recommended: \$22,618,095

**CTCAC Applicant Information**  
CTCAC Applicant/CDLAC Sponsor: CRP Pinnacle Pass LP  
Applicant for State Credits: PSCDC Pinnacle LLC  
Contact: Paul Salib  
Address: 122 East, 42nd Street, Suite 1903  
New York, NY 10168  
Phone: 212-776-1914  
Email: psalib@crpaffordable.com

**Bond Financing Information**  
CDLAC Applicant/Bond Issuer: California Housing Finance Agency  
Bond Counsel: Orrick, Herrington & Sutcliffe LLP  
Private Placement Purchaser: Citibank, N.A.

**Development Team**

General Partners / Principal Owners: PSCDC Pinnacle LLC  
 CRP Pinnacle Pass AGP LLC

General Partner Type: Joint Venture

Parent Companies: Pacific Southwest Community Development Corporation  
 CRP Affordable Housing and Community Development LLC  
 CRP Affordable Housing and Community Development LLC

Developer: CREA LLC

Investor/Consultant: Cambridge Real Estate Services, Inc.

Management Agent:

**Project Information**

Construction Type: New Construction

Total # Residential Buildings: 1

Total # of Units: 40

No. / % of Low Income Units: 39 100.00%

Average Targeted Affordability: 49.23%

Federal Set-Aside Elected: 40%/60% Average Income

Federal Subsidy: Tax-Exempt / HUD Section 8 Project-based Vouchers (25 Units - 63%)

**Information**

Housing Type: Large Family

Geographic Area: Bay Area Region

State Ceiling Pool: Rural

CDLAC Project Analyst: Jake Salle

CTCAC Project Analyst: Michael Couzens

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	13	33%
40% AMI:	5	13%
50% AMI:	7	18%
70% AMI*:	14	36%

\*CTCAC restricted only

**Unit Mix**

23	2-Bedroom Units
17	3-Bedroom Units
40	Total Units

<u>Unit Type &amp; Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
3 2 Bedrooms	70%	\$3,115
5 2 Bedrooms	50%	\$2,225
5 2 Bedrooms	40%	\$1,780
3 2 Bedrooms	30%	\$1,335
7 2 Bedrooms	30%	\$1,335
11 3 Bedrooms	70%	\$3,344
2 3 Bedrooms	50%	\$2,571
3 3 Bedrooms	30%	\$1,542
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$5,150,000
Construction Costs	\$22,693,327
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,175,000
Soft Cost Contingency	\$394,094
Relocation	\$0
Architectural/Engineering	\$1,590,000
Const. Interest, Perm. Financing	\$4,739,601
Legal Fees	\$325,000
Reserves	\$499,740
Other Costs	\$2,750,479
Developer Fee	\$4,806,664
Commercial Costs	\$0
<b>Total</b>	<b>\$44,123,905</b>

**Residential**

Construction Cost Per Square Foot:	\$508
Per Unit Cost:	\$1,103,098
Estimated Hard Per Unit Cost:	\$491,090
True Cash Per Unit Cost*:	\$1,034,903
Bond Allocation Per Unit:	\$565,452
Bond Allocation Per Restricted Rental Unit:	\$904,724

<b>Construction Financing</b>		<b>Permanent Financing</b>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citi: Tax-Exempt	\$22,618,095	Citi	\$17,334,737
Citi: Taxable	\$10,569,842	Deferred Developer Fee	\$2,727,804
Deferred Costs	\$4,920,627	Tax Credit Equity	\$24,061,364
Tax Credit Equity	\$6,015,341	<b>TOTAL</b>	<b>\$44,123,905</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$36,851,092
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$47,906,420
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,916,257
Total State Credit:	\$7,999,991
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,806,664
Federal Tax Credit Factor:	\$0.87991
State Tax Credit Factor:	\$0.90000

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**

Staff noted a per unit development cost of \$1,034,903. The applicant noted the per unit cost is attributed to site being located in a rural Difficult Development Area; which contributes to increased costs of land, construction, and utilities. In addition, the applicant noted the project is subject to prevailing wages.

**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).

<b>Point Criteria</b>	<b>New Const. Max. Points</b>	<b>Rehabilitation Max. Points</b>	<b>Points Scored</b>
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
<b>Total Points</b>	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:** 103.146%