

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

Mirka Tower 1, located at 1430 and 1540 National Avenue and 924-930 South 16 in San Diego on a 1.07 acre site, requested and is being recommended for a reservation of \$8,162,591 in annual federal tax credits and \$8,102,199 in total state tax credits and \$81,645,216 of tax-exempt bond cap to finance the new construction of 318 units of housing, consisting of 315 restricted rental units and 3 unrestricted manager's units. The project will have 168 two-bedroom units, and 150 three-bedroom units, serving families with rents affordable to households earning 30%-80% of area median income (AMI). The construction is expected to begin in February 2026 and be completed in February 2028. The project will be developed by Mirka Investments, LLC and will be located in Senate District 39 and Assembly District

The project financing includes state funding from the Mixed-Income Program (MIP) through CalHFA.

Project Number CA-25-594

Project Name Mirka Tower 1
 Site Address: 1430 and 1540 National Avenue and 924-930 South 16
 San Diego, CA 92123
 County: San Diego
 Census Tract: 51.03

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$8,162,591	\$8,102,199
Recommended:	\$8,162,591	\$8,102,199

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

Tax-Exempt Bond Allocation
 Recommended: \$81,645,216

CTCAC Applicant Information
 CTCAC Applicant/CDLAC Sponsor: Mirka Investments, LLC
 Applicant for State Credits: Pacific Southwest Community Development Corporation
 Contact: Kursat Misirlioglu
 Address: 600 B Street, Suite 300
 San Diego, CA 92101
 Phone: (619) 599-3852
 Email: kursatm@mirkainvest.com

Bond Financing Information
 CDLAC Applicant/Bond Issuer: CALHFA
 Bond Counsel: Orrick, Herrington & Sutcliffe LLP
 Private Placement Purchaser: KeyBank Community Development Lending
 Public Sale: Rated

Development Team

General Partners / Principal Owners:	Mirka Investments, LLC Pacific Southwest Community Development Corporation HCP, LLC
General Partner Type:	Joint Venture
Parent Companies:	Mirka Investments, LLC Pacific Southwest Community Development Corporation
Developer:	Mirka Investments, LLC
Investor/Consultant:	HCP, LLC
Management Agent:	Hyder Company

Project Information

Construction Type:	New Construction	
Total # Residential Buildings:	1	
Total # of Units:	318	
No. / % of Low Income Units:	315	100.00%
Average Targeted Affordability:	59.94%	
Federal Set-Aside Elected:	40%/60% Average Income	
Federal Subsidy:	Tax-Exempt	

Information

Housing Type:	Large Family
Geographic Area:	Coastal Region
State Ceiling Pool:	New Construction
Set Aside:	Mixed Income Set Aside
CDLAC Project Analyst:	Erin DeBlaquiere
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:	32	10%
50% AMI:	64	20%
60% AMI:	124	39%
70% AMI*:	32	10%
80% AMI*:	63	20%

*CTCAC restricted only

Unit Mix

168	2-Bedroom Units
150	3-Bedroom Units
318	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
33 2 Bedrooms	80%	\$2,728
17 2 Bedrooms	70%	\$2,387
64 2 Bedrooms	60%	\$2,046
34 2 Bedrooms	50%	\$1,705
17 2 Bedrooms	30%	\$1,023
30 3 Bedrooms	80%	\$3,152
15 3 Bedrooms	70%	\$2,758
60 3 Bedrooms	60%	\$2,364
30 3 Bedrooms	50%	\$1,970
15 3 Bedrooms	30%	\$1,182
3 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$1
Construction Costs	\$104,669,001
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$5,159,752
Soft Cost Contingency	\$792,251
Relocation	\$0
Architectural/Engineering	\$2,710,000
Const. Interest, Perm. Financing	\$15,423,641
Legal Fees	\$535,000
Reserves	\$2,258,147
Other Costs	\$10,764,026
Developer Fee	\$20,474,727
Commercial Costs	\$0
Total	\$162,786,546

Residential

Construction Cost Per Square Foot:	\$334
Per Unit Cost:	\$511,907
Estimated Hard Per Unit Cost:	\$311,834
True Cash Per Unit Cost*:	\$455,822
Bond Allocation Per Unit:	\$256,746
Bond Allocation Per Restricted Rental Unit:	\$371,115

Construction Financing		Permanent Financing	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
KeyBank: Tax-Exempt	\$81,645,216	CalHFA	\$64,365,289
KeyBank: Recycled Tax-Exempt	\$16,278,102	CalHFA: MIP	\$4,000,000
KeyBank: Taxable	\$15,430,163	Deferred Developer Fee	\$17,835,211
Deferred Costs	\$8,622,041	Tax Credit Equity	\$76,586,046
Deferred Developer Fee	\$17,835,211	TOTAL	\$162,786,546
Tax Credit Equity	\$22,975,813		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$156,972,910
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$204,064,783
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$8,162,591
Total State Credit:	\$8,102,199
Approved Developer Fee (in Project Cost & Eligible Basis):	\$20,474,727
Federal Tax Credit Factor:	\$0.84992
State Tax Credit Factor:	\$0.89000

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 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	9
Site Amenities	10	10	10
Service Amenities	10	10	10
Cost Containment	12	12	12
Negative Points	No Maximum		0
Total Points	120	110	119

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: 121.961%