

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

Jefferson Affordable Family Apartments, located on Jefferson Avenue between Ivy Street and Guava Street in Murrieta on a 2.09 acre site, requested and is being recommended for a reservation of \$1,859,164 in annual federal tax credits and \$8,625,951 in total state tax credits and \$19,254,112 of tax-exempt bond cap to finance the new construction of 82 units of housing, consisting of 81 restricted rental units and 1 unrestricted manager's unit. The project will have 39 two-bedroom units, and 43 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 32 and Assembly District 71.

Project Number CA-25-620

Project Name Jefferson Affordable Family Apartments
Site Address: Jefferson Avenue between Ivy Street and Guava Street
Murrieta, CA 92563
County: Riverside
Census Tract: 0498.00

Tax Credit Amounts	Federal/Annual	State/Total *
Requested:	\$1,859,164	\$8,625,951
Recommended:	\$1,859,164	\$8,625,951

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

Tax-Exempt Bond Allocation
Recommended: \$19,254,112

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: CMFA
Bond Counsel: Jones Hall, A Professional Law Corporation
Private Placement Purchaser: KeyBank Real Estate Capital

Development Team

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

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 82
 No. / % of Low Income Units: 81 100.00%
 Average Targeted Affordability: 59.26%
 Federal Set-Aside Elected: 40%/60% Average Income
 Federal Subsidy: Tax-Exempt

Information

Housing Type: Large Family
 Geographic Area: Inland Region
 State Ceiling Pool: New Construction
 CDLAC Project Analyst: Sarah Lester
 CTCAC Project Analyst: Jacob Couch

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	9	11%
50% AMI:	9	11%
60% AMI:	48	59%
80% AMI*:	15	19%

*CTCAC restricted only

Unit Mix

39	2-Bedroom Units
43	3-Bedroom Units
82	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
7 2 Bedrooms	80%	\$2,014
13 2 Bedrooms	60%	\$1,510
9 2 Bedrooms	50%	\$1,258
9 2 Bedrooms	30%	\$755
8 3 Bedrooms	80%	\$2,328
35 3 Bedrooms	60%	\$1,746
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$2,000,000
Construction Costs	\$22,971,726
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,122,170
Soft Cost Contingency	\$250,993
Relocation	\$0
Architectural/Engineering	\$1,390,000
Const. Interest, Perm. Financing	\$3,679,693
Legal Fees	\$515,000
Reserves	\$332,449
Other Costs	\$2,666,292
Developer Fee	\$4,663,455
Commercial Costs	\$0
Total	\$39,591,778

Residential

Construction Cost Per Square Foot:	\$245
Per Unit Cost:	\$482,827
Estimated Hard Per Unit Cost:	\$245,055
True Cash Per Unit Cost*:	\$429,004
Bond Allocation Per Unit:	\$234,806
Bond Allocation Per Restricted Rental Unit:	\$291,729

Construction Financing

Source	Amount
KeyBank: Tax-Exempt	\$19,254,112
KeyBank: Recycled Tax-Exempt	\$1,979,589
KeyBank: Taxable	\$3,884,162
Seller Carryback	\$2,000,000
Accrued Interest	\$200,000
Deferred Costs	\$4,066,936
Deferred Developer Fee	\$2,163,456
Tax Credit Equity	\$6,043,523

Permanent Financing

Source	Amount
Keybank: Tax-Exempt	\$11,699,912
Seller Carryback	\$2,000,000
Accrued Interest	\$250,000
Deferred Developer Fee	\$2,163,456
Tax Credit Equity	\$23,478,410
TOTAL	\$39,591,778

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$35,753,157
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$46,479,104
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$1,859,164
Total State Credit:	\$8,625,951
Approved Developer Fee (in Project Cost & Eligible Basis):	\$4,663,455
Federal Tax Credit Factor:	\$0.84991
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	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: 105.110%