CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Tax-Exempt Bond Project
November 30, 2022

Alosta Gardens, located at 745 E 5th St. in Azusa, requested and is being recommended for a reservation of $2,510,975 in annual federal tax credits and $7,416,581 in total state tax credits to finance the acquisition & rehabilitation of 60 units of housing serving tenants with rents affordable to households earning 30%-60% of area median income (AMI). The project will be developed by Bold Communities and is located in Senate District 22 and Assembly District 48.

The project is currently at-risk, but is being recommended for a reservation of tax credits that will preserve affordability for an additional 55 years. The project will be receiving rental assistance in the form of HUD Section 8 Project-based Contract.

Project Number	CA-22-598	
Project Name	Alosta Gardens	
Site Address:	745 E 5th St.	
	Azusa, CA 91702	County: Los Angeles
Census Tract:	06037404201	

Tax Credit Amounts	**Federal/Annual**	**State/Total** *
Requested:	$2,510,975	$7,416,581
Recommended:	$2,510,975	$7,416,581

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

Applicant Information

Applicant:	Bold Communities
Contact:	Michael Miller
Address:	4915 Gambier St.
	Los Angeles, CA 90032
Phone:	650-464-1319
Email:	mike@boldcommunities.org

General Partner(s) or Principal Owner(s):	Bold Communities
	CLG Alosta LLC
General Partner Type:	Joint Venture
Parent Company(ies):	Bold Communities
	CLG Alosta LLC
Developer:	Bold Communities
Bond Issuer:	California Municipal Finance Authority
Investor/Consultant:	PNC Real Estate
Management Agent:	TELACU Residential Management, Inc.

Project Information

Construction Type:	Acquisition & Rehabilitation
Total # Residential Buildings:	9
Total # of Units:	61
No. / % of Low Income Units:	60 100.00%
Federal Set-Aside Elected:	40%/60%
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Contract (60 Units - 100%)

Information

Housing Type:	At-Risk
Geographic Area:	Balance of Los Angeles County
CTCAC Project Analyst:	Jonghyun(Tommy), Shim

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	42	70%
35% AMI:	3	5%
50% AMI:	7	12%
55% AMI:	1	2%
60% AMI:	7	12%

Unit Mix

1	1-Bedroom Units
38	2-Bedroom Units
22	3-Bedroom Units
61	Total Units

Unit Type & Number		2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
1	1 Bedroom	30%	$665
28	2 Bedrooms	30%	$798
13	3 Bedrooms	30%	$922
3	3 Bedrooms	35%	$1,075
5	2 Bedrooms	50%	$1,330
2	3 Bedrooms	50%	$1,536
1	3 Bedrooms	55%	$1,690
5	2 Bedrooms	60%	$1,596
2	3 Bedrooms	60%	$1,844
1	3 Bedrooms	Manager’s Unit	$0

Project Cost Summary at Application

Land and Acquisition	$35,230,000
Construction Costs	$0
Rehabilitation Costs	$10,893,140
Construction Hard Cost Contingency	$1,066,814
Soft Cost Contingency	$566,682
Relocation	$600,000
Architectural/Engineering	$396,858
Const. Interest, Perm. Financing	$4,601,399
Legal Fees	$305,000
Reserves	$403,108
Other Costs	$969,719
Developer Fee	$7,430,000
Commercial Costs	$0
Total	**$62,462,720**

Residential

Construction Cost Per Square Foot:	$180
Per Unit Cost:	$1,023,979
True Cash Per Unit Cost*:	$775,433

Construction Financing

Source	Amount
PNC HUD 221(d)(4) & Tax Exempt	$32,619,348
PNC Taxable Tail	$10,242,650
Seller Note	$10,231,314
Deferred Developer Fee	$5,944,000
Tax Credit Equity	$3,425,408

Permanent Financing

Source	Amount
PNC HUD 221(d)(4)	$18,769,366
Seller Note	$10,231,314
Deferred Developer Fee	$4,930,000
Tax Credit Equity	$28,532,040
TOTAL	**$62,462,720**

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis (Rehabilitation):	$19,079,220
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	$37,971,406
Applicable Fraction:	100.00%
Qualified Basis (Rehabilitation):	$24,802,986
Qualified Basis (Acquisition):	$37,971,406
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	$992,119
Maximum Annual Federal Credit, Acquisition:	$1,518,856
Total Maximum Annual Federal Credit:	$2,510,975
Total State Credit:	$5,723,766
Approved Developer Fee (in Project Cost & Eligible Basis):	$7,430,000
Investor/Consultant:	PNC Real Estate
Federal Tax Credit Factor:	$0.90000
State Tax Credit Factor:	$0.80000

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.

Significant Information / Additional Conditions
Pursuant to CTCAC Regulation Section 10326(g)(5), general partners and management companies lacking documented experience with Section 42 requirements using the minimum scoring standards at Section 10325(c)(2)(A) and (B) shall be required to complete training as prescribed by CTCAC prior to a project’s placing in service. The required CTCAC training for the general partner has been completed and the certification of completion has been received by CTCAC.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions
If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, 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.