

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
Qualified Private Activity Tax-Exempt Bond Project
December 10, 2025**

The Green at Warner Center, located at 21155 Califa Street in Los Angeles on a 2.76 acre site, requested and is being recommended for a reservation of \$8,188,510 in annual federal tax credits and \$40,500,000 of tax-exempt bond cap to finance the new construction of 316 units of housing, consisting of 313 restricted rental units and 3 unrestricted manager's units. The project will have 144 one-bedroom units, 82 two-bedroom units, and 90 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 June 2026 and be completed in June 2028. The project will be developed by Capstone Equities and will be located in Senate District 27 and Assembly District 46.

Project Number CA-25-763

Project Name The Green at Warner Center
Site Address: 21155 Califa Street
Los Angeles, CA 91367
County: Los Angeles
Census Tract: 1371.04

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$8,188,510	\$0
Recommended:	\$8,188,510	\$0

Tax-Exempt Bond Allocation
Recommended: \$40,500,000

CTCAC Applicant Information
CTCAC Applicant/CDLAC Sponsor: Capstone Equities, LLC
Contact: Brian Mikail
Address: 5455 Wilshire Boulevard, Suite 1012
Los Angeles, CA 90036
Phone: 310-666-6860
Email: bmikail@capstoneequities.com

Bond Financing Information
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority
Bond Counsel: Anzel Galvan LLP
Private Placement Purchaser: Citibank, N.A.

Development Team

General Partners / Principal Owners:	Las Palmas Foundation Elysian Califa, LLC
General Partner Type:	Joint Venture
Parent Companies:	Las Palmas Foundation Capstone Equities, LLC / Elysian Housing, LLC
Developer:	Capstone Equities
Investor/Consultant:	Red Stone Equity Partners
Management Agent:	Aperto Property Management

Project Information

Construction Type:	New Construction
Total # Residential Buildings:	1
Total # of Units:	316
No. / % of Low Income Units:	313 100.00%
Average Targeted Affordability:	60.00%
Federal Set-Aside Elected:	40%/60% Average Income
Federal Subsidy:	Tax-Exempt

Information

Housing Type:	Large Family
Geographic Area:	City of Los Angeles
State Ceiling Pool:	New Construction
CDLAC Project Analyst:	Amit Sarang
CTCAC Project Analyst:	Chris Saenz

55-Year Use / Affordability

<u>Aggregate Targeting</u>	<u>Number of Units</u>	<u>Percentage of Affordable Units</u>
30% AMI:	52	17%
50% AMI:	12	4%
60% AMI:	155	50%
70% AMI*:	20	6%
80% AMI*:	74	24%

*CTCAC restricted only

Unit Mix

144	1-Bedroom Units
82	2-Bedroom Units
90	3-Bedroom Units
316	Total Units

<u>Unit Type & Number</u>	<u>2025 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
40 1 Bedroom	30%	\$852
83 1 Bedroom	60%	\$1,704
20 1 Bedroom	70%	\$1,987
4 2 Bedrooms	30%	\$1,022
4 2 Bedrooms	50%	\$1,704
72 2 Bedrooms	60%	\$2,044
8 3 Bedrooms	30%	\$1,180
8 3 Bedrooms	50%	\$1,969
74 3 Bedrooms	80%	\$3,150
1 1 Bedroom	Manager's Unit	\$0
2 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$140,000
Construction Costs	\$96,500,000
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$9,500,000
Soft Cost Contingency	\$1,067,100
Relocation	\$3,500,000
Architectural/Engineering	\$3,460,000
Const. Interest, Perm. Financing	\$20,135,500
Legal Fees	\$395,000
Reserves	\$1,500,000
Other Costs	\$2,660,500
Developer Fee	\$20,500,000
Commercial Costs	\$0
Total	\$159,358,100

Residential

Construction Cost Per Square Foot:	\$285
Per Unit Cost:	\$504,298
Estimated Hard Per Unit Cost:	\$272,315
True Cash Per Unit Cost*:	\$441,043
Bond Allocation Per Unit:	\$128,165
Bond Allocation Per Restricted Rental Unit:	\$184,932

<u>Construction Financing</u>		<u>Permanent Financing</u>	
<u>Source</u>	<u>Amount</u>	<u>Source</u>	<u>Amount</u>
Citibank: Tax-Exempt	\$40,500,000	Citibank	\$61,292,809
Citibank: Recycled Tax-Exempt	\$20,000,000	Net Operating Income	\$2,742,399
Citibank: Taxable	\$66,500,000	Deferred Developer Fee	\$19,988,600
Deferred Costs	\$2,093,672	Tax Credit Equity	\$75,334,292
Net Operating Income	\$2,742,399	TOTAL	\$159,358,100
Deferred Developer Fee	\$19,988,600		
Tax Credit Equity	\$7,533,429		

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

Determination of Credit Amount(s)

Requested Eligible Basis:	\$157,487,100
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$204,733,230
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$8,188,510
Approved Developer Fee (in Project Cost & Eligible Basis):	\$20,500,000
Federal Tax Credit Factor:	\$0.92000

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 25% 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	0
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: 237.790%