

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

Rosemead Family Apartments, located at 600 North Rosemead Boulevard in Pasadena on a 2.12 acre site, requested and is being recommended for a reservation of \$4,943,817 in annual federal tax credits and \$30,000,000 of tax-exempt bond cap to finance the new construction & adaptive reuse of 133 units of housing, consisting of 131 restricted rental units and 2 unrestricted manager's units. The project will have 8 studio units, 48 one-bedroom units, 43 two-bedroom units, and 34 three-bedroom units, serving families with rents affordable to households earning 30%-80% of area median income (AMI). The rehabilitation is expected to begin in June 2026 and be completed in June 2028. The project will be developed by Capstone Equities and Elysian Housing and will be located in Senate District 25 and Assembly District 41.

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

**Project Number** CA-25-799

**Project Name** Rosemead Family Apartments  
Site Address: 600 North Rosemead Boulevard  
Pasadena, CA 91107  
County: Los Angeles  
Census Tract: 4630.00

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$4,943,817	\$0
Recommended:	\$4,943,817	\$0

**Tax-Exempt Bond Allocation**  
Recommended: \$30,000,000

**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 Financing Agency  
Bond Counsel: Anzel Galvan LLP  
Private Placement Purchaser: Citibank, N.A.

**Development Team**

General Partners / Principal Owners:	Las Palmas Foundation Elysian Rosemead, LLC TPC Homes
General Partner Type:	Joint Venture
Parent Companies:	Las Palmas Foundation Capstone Equities, LLC / Elysian Housing, LLC The People Concern
Developer:	Capstone Equities and Elysian Housing
Investor/Consultant:	Redstone Equity Partners
Management Agent:	TPC Management

**Project Information**

Construction Type:	New Construction & Adaptive Reuse	
Total # Residential Buildings:	2	
Total # of Units:	133	
No. / % of Low Income Units:	131	100.00%
Average Targeted Affordability:	60.00%	
Federal Set-Aside Elected:	40%/60% Average Income	
Federal Subsidy:	Tax-Exempt / HUD Section 8 Project-based Vouchers (50 Units - 38%)	

**Information**

Housing Type:	Large Family
Geographic Area:	Balance of Los Angeles County
State Ceiling Pool:	New Construction
Set Aside:	Homeless Set Aside
Homeless Set Aside Units:	50
CDLAC Project Analyst:	Andrew Papagiannis
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:	50	38%
60% AMI:	6	5%
80% AMI*:	75	57%

\*CTCAC restricted only

**Unit Mix**

8	SRO/Studio Units
48	1-Bedroom Units
43	2-Bedroom Units
34	3-Bedroom Units
133	Total Units

<b>Unit Type &amp; Number</b>	<b>2025 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
8 SRO/Studio	30%	\$795
42 1 Bedroom	30%	\$852
6 1 Bedroom	60%	\$1,704
41 2 Bedrooms	80%	\$2,726
34 3 Bedrooms	80%	\$3,151
2 2 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$13,543,126
Construction Costs	\$49,257,020
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$8,060,000
Soft Cost Contingency	\$1,450,000
Relocation	\$825,000
Architectural/Engineering	\$1,496,738
Const. Interest, Perm. Financing	\$11,031,305
Legal Fees	\$430,000
Reserves	\$1,000,000
Other Costs	\$1,725,799
Developer Fee	\$12,781,849
Commercial Costs	\$0
<b>Total</b>	<b>\$101,600,837</b>

**Residential**

Construction Cost Per Square Foot:	\$351
Per Unit Cost:	\$763,916
Estimated Hard Per Unit Cost:	\$336,880
True Cash Per Unit Cost*:	\$668,436
Bond Allocation Per Unit:	\$225,564
Bond Allocation Per Restricted Rental Unit:	\$535,714

**Construction Financing**

<b>Source</b>	<b>Amount</b>
Citibank: Tax-Exempt	\$30,000,000
Citibank: Recycled Tax Exempt	\$12,000,000
Citibank: Taxable	\$28,000,000
Deferred Costs	\$1,718,120
Net Operating Income	\$2,148,970
Deferred Developer Fee	\$12,698,832
Tax Credit Equity	\$15,034,915

**Permanent Financing**

<b>Source</b>	<b>Amount</b>
Citibank: Taxable	\$42,327,900
Net Operating Income	\$2,148,970
Deferred Developer Fee	\$12,698,832
Tax Credit Equity	\$44,425,135
<b>TOTAL</b>	<b>\$101,600,837</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$85,337,461
130% High Cost Adjustment:	Yes
Requested Eligible Basis (Acquisition):	\$12,657,036
Applicable Fraction:	100.00%
Qualified Basis:	\$110,938,699
Qualified Basis (Acquisition):	\$12,657,036
Applicable Rate:	4.00%
Maximum Annual Federal Credit, Rehabilitation:	\$4,437,536
Maximum Annual Federal Credit, Acquisition:	\$506,281
Total Maximum Annual Federal Credit:	\$4,943,817
Approved Developer Fee (in Project Cost & Eligible Basis):	\$12,781,849
Federal Tax Credit Factor:	\$0.89860

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**

The project will restrict 50 Low-Income Units (38% of the Low-Income Units) to serve Special Needs Population(s), as defined in CTCAC Regulations Section 10302(kkk).

The 50 Special Needs units do not include a utility allowance. The owner will pay all utilities on these units. The remaining 81 Large Family units will use the utility allowance provided by the Housing Authority.

The reservation of tax credits is contingent upon verification of the rental subsidy annual amount, number of units receiving assistance, term, and expiration date by the bond issuance deadline.

This project will include the adaptive reuse of an existing 6-story office building. The site is currently being used as commercial office space. Upon completion, the project will include 131 LIHTC units and 2 manager’s units.

This Project's annual per unit operating expense total is below the CTCAC published per unit operating minimums of \$6,200. As allowed by CTCAC Regulations Section 10327(g)(1), CTCAC approves an annual per unit operating expense total of \$5,305 on agreement of the permanent lender and equity investor.

**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).

<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	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
<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:** 144.619%