

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE  
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE  
Project Staff Report  
Qualified Private Activity Tax-Exempt Bond Project  
August 6, 2024**

The project, 1241 North Main, located at 1241 North Main Street in Manteca on a 3.53 acre site, requested and is being recommended for a reservation of \$3,493,293 in annual federal tax credits and \$38,323,293 of tax-exempt bond cap to finance the new construction of 100 units of housing, consisting of 99 restricted rental units, and 1 unrestricted manager's unit. The project will have 24 one-bedroom units, 50 two-bedroom units, and 26 three-bedroom units, serving families with rents affordable to households earning 30%-60% of area median income (AMI). There will be four 3-story concrete slab on grade foundation / stucco exterior / Type V-A residential buildings. The buildings will be designed and built to achieve LEED Gold status. Common amenities include a large community room, laundry facilities, management offices and 143 uncovered surface parking spaces, which will include 16 code compliant ADA parking spaces. Three of these ADA parking spaces will be van accessible. Additionally, the project will also include a playground, an indoor ping pong table (or similar) and a lounge area. Each unit will have blinds, carpet/vinyl flooring, and central air conditioning. Appliances will include a refrigerator, oven, dishwasher, and garbage disposal. The construction is expected to begin in November 2024 and be completed in November 2026. The project will be developed by Bold Communities and will be located in Senate District 5 and Assembly District 9.

The project financing includes state funding from the Multifamily Housing Program (MHP), the Infill Infrastructure Grant (IIG), and Joe Serna Jr. (FWHG) programs of HCD.

**Project Number** CA-24-424

**Project Name** 1241 North Main  
Site Address: 1241 North Main Street  
Manteca, CA 95336  
County: San Joaquin  
Census Tract: 51.26

<b>Tax Credit Amounts</b>	<b>Federal/Annual</b>	<b>State/Total</b>
Requested:	\$3,493,293	\$0
Recommended:	\$3,493,293	\$0

**Tax-Exempt Bond Allocation**  
Recommended: \$38,323,293

**CTCAC Applicant Information**  
CTCAC Applicant/CDLAC Sponsor: Bold Manteca LP  
Contact: Michael Miller  
Address: 4915 Gambier Street  
Los Angeles, CA 90032  
Phone: 650-464-1319  
Email: mike@boldcommunities.org

**Bond Financing Information**  
CDLAC Applicant/Bond Issuer: California Municipal Finance Authority  
Bond Counsel: Jones Hall, A Professional Law Corporation  
Private Placement Purchaser: Citibank, N.A.

**Development Team**

General Partner(s) or Principal Owner(s): Bold Manteca LLC  
 General Partner Type: Nonprofit  
 Parent Company(ies): Bold Communities  
 Developer: Bold Communities  
 Investor/Consultant: R4 Capital  
 Management Agent: AWI Management Corporation

**Project Information**

Construction Type: New Construction  
 Total # Residential Buildings: 4  
 Total # of Units: 100  
 No. / % of Low Income Units: 99 100.00%  
 Average Targeted Affordability: 47.58%  
 Federal Set-Aside Elected: 40%/60%  
 Federal Subsidy: Tax-Exempt

**Information**

Housing Type: Large Family  
 Geographic Area: Central Valley Region  
 State Ceiling Pool: New Construction  
 Set Aside: Extremely Low/Very Low Income Set Aside  
 CDLAC Project Analyst: Sarah Lester  
 CTCAC Project Analyst: Chris Saenz

**55-Year Use / Affordability**

<b>Aggregate Targeting</b>	<b>Number of Units</b>	<b>Percentage of Affordable Units</b>
30% AMI:	11	11%
40% AMI:	25	25%
50% AMI:	40	40%
60% AMI:	23	23%

**Unit Mix**

24 1-Bedroom Units  
 50 2-Bedroom Units  
 26 3-Bedroom Units  
 100 Total Units

<b>Unit Type &amp; Number</b>	<b>2023 Rents Targeted % of Area Median Income</b>	<b>Proposed Rent (including utilities)</b>
3 1 Bedroom	30%	\$493
5 2 Bedrooms	30%	\$592
3 3 Bedrooms	30%	\$684
6 1 Bedroom	40%	\$658
13 2 Bedrooms	40%	\$790
6 3 Bedrooms	40%	\$912
9 1 Bedroom	50%	\$822
21 2 Bedrooms	50%	\$987
10 3 Bedrooms	50%	\$1,140
6 1 Bedroom	60%	\$987
11 2 Bedrooms	60%	\$1,185
6 3 Bedrooms	60%	\$1,368
1 3 Bedrooms	Manager's Unit	\$0

**Project Cost Summary at Application**

Land and Acquisition	\$3,464,300
Construction Costs	\$44,348,523
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$2,209,088
Soft Cost Contingency	\$376,768
Relocation	\$0
Architectural/Engineering	\$1,227,350
Const. Interest, Perm. Financing	\$9,304,173
Legal Fees	\$45,000
Reserves	\$202,838
Other Costs	\$4,624,013
Developer Fee	\$8,762,441
Commercial Costs	\$0
<b>Total</b>	<b>\$74,564,494</b>

**Residential**

Construction Cost Per Square Foot:	\$425
Per Unit Cost:	\$745,645
Estimated Hard Per Unit Cost:	\$382,236
True Cash Per Unit Cost*:	\$693,895
Bond Allocation Per Unit:	\$383,233
Bond Allocation Per Restricted Rental Unit:	\$387,104

**Construction Financing**

Source	Amount
CitiBank: Tax-Exempt	\$38,323,293
CitiBank: Taxable	\$16,303,111
HCD: IIG	\$5,469,400
Deferred Costs	\$3,147,822
Deferred Developer Fee	\$5,174,961
Tax Credit Equity	\$6,145,907

**Permanent Financing**

Source	Amount
HCD: IIG	\$5,469,400
HCD: Joe Serna Jr. FWHG	\$10,547,446
HCD: MHP	\$21,798,150
Deferred Developer Fee	\$5,174,961
Tax Credit Equity	\$31,574,537
<b>TOTAL</b>	<b>\$74,564,494</b>

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

**Determination of Credit Amount(s)**

Requested Eligible Basis:	\$67,178,715
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$87,332,330
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$3,493,293
Approved Developer Fee (in Project Cost & Eligible Basis):	\$8,762,441
Investor/Consultant:	R4 Capital
Federal Tax Credit Factor:	\$0.90386

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**

Staff noted a per unit development cost of \$745,645. The applicant noted that the per unit cost is attributed to prevailing wages, interest rates, and material costs.

When contracting with a California-experienced property management company as described in CTCAC regulation section 10325(c)(1) (A)(ii) and (B)(ii), the general partner and property co-management entity must obtain training in: project operations, on-site certification training in federal fair housing law, and manager certification in IRS Section 42 program requirements from a CTCAC-approved, nationally recognized entity. Additionally, the experienced property management agent or an equally experienced substitute, must remain for a period of at least 3 years from the placed-in-service date (or, for ownership transfers, 3 years from the sale or transfer date) to allow for at least one (1) CTCAC monitoring visit to ensure the project is in compliance with IRC Section 42. Thereafter, the experienced property manager may transfer responsibilities to the remaining general partner or property management firm following formal written approval from CTCAC.

**CDLAC Analyst Comments**

None

**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.

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
<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:** 63.316%