

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**2009 Cash in Lieu of Credits - Section 1602 Funds**  
**July 8, 2009**

**Project Number** CA-2009-506

**Project Name** Arvin Apartments  
**Site Address:** 1410 Hood Street  
 Arvin, CA 93202 County: Kern Census Tract: 63.02

**Applicant Information**

**Applicant:** Arvin Square, A California Limited Partnership  
**Sponsor:** Elva L. Grant  
**Address:** 1008 Second Street, 2nd Floor  
 Sacramento, CA 95814  
**Phone:** (916) 281-2472 Fax: (916) 554-7502  
**Email:** elvagrants@covad.net

**General Partners(s) Type:** Nonprofit  
 The general partner(s) or principal owner(s) are Housing Alternatives, Inc

**Information**

**Housing Type:** At-Risk  
**Geographic Area:** Central Region: Kern  
**Proposed Average Affordability:** 50.01%

**Project Information**

**Construction Type:** Rehabilitation  
**Total # of Units:** 51  
**Total # Residential Buildings:** 9

**Davis-Bacon or NEPA Required:** No  
**State Prevailing Wages Required:** No  
**2008 TCAC Project Number:** CA-2008-022  
**Original 2008 Federal Tax Credits Allocated:** \$737,422  
**2008 Federal Tax Credits Exchanged/Returned:** \$737,422  
**Applicable Fraction:** X .83  
**Cash Award Recommended:** \$6,120,603

**Approved 2008 TCAC Proposed Rent and Income Levels**

<u>Unit Type &amp; Number</u>	<u>% of Area Median Income</u>	(including utilities)
1 One-Bedroom Unit	30%	\$302
2 One-Bedroom Units	40%	\$403
9 One-Bedroom Units	50%	\$504
2 Two-Bedroom Units	30%	\$363
3 Two-Bedroom Units	40%	\$484
16 Two-Bedroom Units	50%	\$605

15 Two-Bedroom Units	60%	\$726
2 Three-Bedroom Units	30%	\$419
1 Three-Bedroom Unit	Manager's Unit	\$0

**Project Financing**

Estimated Total Project Cost: \$7,278,688 Per Unit Cost: \$142,719

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Source	Amount	Source	Amount
Washington Mutual	\$4,900,000	Washington Mutual	\$1,010,601
Deferred Developer Fee	\$50,682	Deferred Developer Fee	\$147,484
TCAC ARRA Funds	\$2,328,006	TCAC ARRA Funds	\$6,120,603
		<b>TOTAL</b>	<b>\$7,278,688</b>

**Income and Expense Statement for Year 1**

<b>Gross Residential Rents:</b>	\$350,760
<b>Miscellaneous Income:</b>	\$6,120
<b>Less Vacancy Rate: 5%</b>	\$(17,844)
<b>Total Effective Gross Income:</b>	\$339,036
<b>Less Total Expenses/Reserves:</b>	\$210,440
<b>Net Operation Income:</b>	\$128,596
<b>Debt Service:</b>	\$110,087
<b>Debt Service Ratio:</b>	1.17 to 1

Annual operating expenses exceed the minimum operating expenses established in the Regulations, and the project pro forma shows a positive cash flow from year one. Staff analysis of project costs to determine reasonableness found all fees to be within TCAC's underwriting guidelines and TCAC limitations.

**Standard Conditions**

The Committee may make a Conditional Reservation of American Recovery and Reinvestment Act of 2009 (ARRA), Section 1602 funds for the project. This Conditional Reservation would not constitute a commitment. The provision of any funds is conditioned on TCAC's determination to proceed with, modify or cancel the project based on further underwriting and review.

All ARRA funded projects will be required to track and report on all jobs created or retained as a result of the funds.