

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2009 - TCAP Funds

August 5, 2009

Gap Financing

Project Number CA-2009-541

Project Name McCoy Plaza A

Site Address: 9315 South Firth Boulevard

Los Angeles, CA 90002

County: Los Angeles

Census Tract: 2423.00

Applicant Information

Applicant: McCoy Plaza, L.P.

Sponsor: Naima Greffon

Address: 10950 South Central Avenue

Los Angeles, CA 90059

Phone: (323) 563-5654

Fax: (323) 923-1474

Email: ngreffon@wlcac.org

General Partners Type: Nonprofit

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CDC McCoy The general partners or principal owners are Watts Labor Community Action Committee and Affordable Housing LLC.

Information

Housing Type: Special Needs

Type of SpN: Homeless

Number of Special Need Units: 63 Units / 100%

Proposed Average Affordability: 40%

Project Information

Construction Type: New Construction

Federal Subsidy: HOME

Total # of Units: 64

Total # Residential Buildings: 1

Davis-Bacon Required: Yes

NEPA Required: Yes

State Prevailing Wages Required: No

2008 TCAC Project Number: CA-2008-004

Original 2008 Federal Tax Credits Allocated: \$1,770,868

Original 2008 Federal Tax Credits Retained: \$1,770,868

Amount of Gap Financing Requested: \$835,000

Current Net Equity Factor: .7645

Amount of Net Equity Factor Requested: .047 (\$1,770,868 X 10 X .047)

Amount of Gap Financing Recommended: \$835,000

Approved 2008 TCAC Proposed Rent and Income Levels

<u>Unit Type & Number</u>	<u>% of Area Median Income</u>	<u>Proposed Rent</u> (including utilities)
4 Two-Bedroom	30%	\$551
18 Two-Bedroom	35%	\$596
17 Two-Bedroom	50%	\$852
3 Three-Bedroom	30%	\$591
12 Three-Bedroom	35%	\$689
9 Three-Bedroom	50%	\$985
1 Two-Bedroom Unit	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$27,522,271 Per Unit Cost: \$430,035

Revised Permanent Financing

<u>Source</u>	<u>Amount</u>
CCRC	\$3,400,000
LAHD	\$5,985,000
NEF Green Grant	\$40,000
Deferred Fees	\$974,000
Project Cash Flow	\$249,304
TCAC ARRA Funds	\$835,000
Investor Equity	\$13,538,967
TOTAL	\$27,522,271

Income and Expense Statement for Year 1

Gross Residential Rents:	\$1,111,248
Miscellaneous Income:	\$7,200
Less Vacancy Rate: 10%	(\$111,845)
Total Effective Gross Income:	\$1,006,603
Less Total Expenses/Reserves:	\$473,366
Net Operation Income:	\$533,328
Debt Service:	\$366,722
Debt Service Ratio:	1.45 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), Tax Credit Assistance Program (TCAP) funds for the project sponsor. This Conditional Reservation would not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by the California Tax Credit Allocation Committee of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part §58. The provision of any funds to the project is conditioned on TCAC's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review and further underwriting.

The project sponsor is prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance. A violation of this provision may result in the denial of any funds.

In addition, each project ultimately awarded ARRA TCAP funds will have to comply with all federal requirements, such as Section 504, Davis-Bacon federal labor standards laws, anti-lobbying requirements, lead-based paint rules, and other federal laws.

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

Numbers contained in the proposed financing are subject to update and will be refined within 30 days of loan execution agreement.