

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**HCD Loan Guarantee**  
**August 26, 2009**

**Project Number** CA-2009-563

**Project Name** Fairmount Apartments  
**Address:** 401 Fairmount Avenue  
Oakland, CA 94611

County: Alameda

**Applicant Information**

**Applicant:** Affordable Housing Associates  
**Sponsor:** Neil Saxby  
**Address:** 1250 Addison Street  
Berkeley, CA 94702  
**Phone:** (510) 649-8500, Ext. 31  
**Email:** [nsaxby@ahainc.org](mailto:nsaxby@ahainc.org)

Fax: (510) 649-0312

General Partner Type: Nonprofit  
The general partner or principal owner is Affordable Housing Associates.

**Project Information**

**Construction Type:** Rehabilitation and Acquisition  
**Federal Subsidy:** Tax-Exempt/HUD Project-based Section 8  
**HCD MHP Funding:** Yes  
**Total # of Units:** 31  
**Total # Residential Buildings:** 2

**Information**

**Housing Type:** Special Needs/Family  
**Proposed Average Affordability:** 39.76%

**Davis-Bacon Required:** No

**NEPA Required:** Yes

**State Prevailing Wages Required:** Yes

**2008 TCAC Project Number:** CA-2008-957

**2008 Federal Tax Credits Allocated:** \$448,502

**2008 Federal Tax Credits Retained:** \$448,502

**HCD Loan Guarantee Requested:** \$2,306,485

**HCD Loan Guarantee Recommended:** \$2,306,485

<b>ARRA Scoring Criteria</b>	<b>Max. Possible Points</b>	<b>Points Awarded</b>
<b><i>DDA Bonus Points</i></b>	<b>25</b>	<b>25</b>
<b><i>Housing Type Points (Maximum of 50 points)</i></b>		
<input checked="" type="checkbox"/> Special Needs, SRO, Homeless Project	<b>50</b>	<b>50</b>
<b><i>Total Project Cost/Cash Request Points (Maximum of 100 points)</i></b>		
<input checked="" type="checkbox"/> PMIB – MHP, SHP, & Homeless Youth Projects	<b>100</b>	<b>100</b>
<input type="checkbox"/> Other Project		
Total Project Cost: \$		
Cash Award Request: \$		
Total Points Awarded: 100 - (Cash Award/Total Project Cost X 100)		
<b><i>Total Average Affordability Points (Maximum of 100 points)</i></b>		
Projects Original Proposed Average Affordability: 39.7682%		
60% - 39.7682 = 20.2318 X 5 Points = 101.159	<b>100</b>	<b>100</b>
<b>Total Points</b>	<b>275</b>	<b>275</b>

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

<b><u>Unit Type &amp; Number</u></b>	<b><u>% of Area Median Income</u></b>	<b><u>Proposed Rent</u></b> (including utilities)
5 One-Bedroom Units	20%	\$261
4 One-Bedroom Units	30%	\$484
2 One-Bedroom Units	35%	\$565
15 One-Bedroom Units	50%	\$807
2 Two-Bedroom Units	35%	\$678
2 Two-Bedroom Units	50%	\$968
1 Two-Bedroom Unit	Manager's Unit	\$0

**Project Financing**

Estimated Total Project Cost: \$11,287,423 Per Unit Cost: \$364,110

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Source	Amount	Source	Amount
Wells Fargo	\$5,700,000	Wells Fargo	\$451,000
MHSA	\$500,000	Alameda County HOPWA	\$410,452
City of Oakland	\$3,400,000	Alameda County MHSA	\$500,000
City of Oakland Interest	\$91,174	City of Oakland (inc. accrued interest)	\$3,491,174
Alameda County HOPWA	\$400,000	HCD – MHP ARRA Guarantee	\$2,306,485
Costs deferred until Permanent Closing	\$561,408	ESIC Green Grant	\$50,000
Deferred Developer Fee	\$618,538	Alameda County build it Green Grant	\$25,000
ESIC Green Grant	\$50,000	Deferred Developer Fee	\$618,538
Accrued Interest	\$10,452	Investor Equity	\$3,434,774
Investor Equity	\$50,851	<b>TOTAL</b>	<b>\$11,287,423</b>

### **Income and Expense Statement for Year 1**

<b>Gross Residential Rents:</b>	\$137,784
<b>Rental Subsidy:</b>	\$197,808
<b>Miscellaneous Income:</b>	\$2,232
<b>Vacancy Rate:</b>	(\$23,780)
<b>Total Effective Gross Income:</b>	\$314,044
<b>Less Total Expenses/Reserves:</b>	\$237,801
<b>Net Operation Income:</b>	\$76,242
<b>Debt Service:</b>	\$348,094
<b>Net Cash Flow</b>	\$50,787
<b>Debt Service Ratio:</b>	1.50 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.