

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2009 Cash in Lieu of Credits – Section 1602 Funds
December 16, 2009

Project Number CA-2009-607

Project Name Main Street Village
Address: 3615 & 3657 Main Street
Fremont, CA 94538 County: Alameda

Applicant Information

Applicant: Fremont Main Street Village, L.P.
Contact Lillian Lew-Hailer
Address: 303 Vintage Park Drive, Suite 250
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General Partner Type: Nonprofit

The general partners or principal owners are Mid-Peninsula Housing Coalition and Allied Housing, Inc.

Project Information

Housing Type: Special Needs/Large Family
Construction Type: New Construction
Rental/Operating Subsidy: 50% (32 Units - HUD Section 8 Project-based Vouchers)
16% (10 Units - MHSA Operating Subsidy)
HCD Funding: No
Total # of Units: 64
Total # Residential Buildings: 2
Federal Set-Aside Elected: 40%/60%
% & No. of Tax Credit Units: 100% - 63 units

Davis-Bacon Required: No

NEPA Required: No

State Prevailing Wages Required: Yes

2009 TCAC Project Number: CA-2009-095

2009 Annual Federal Tax Credits Reserved: \$2,494,869

2009 Federal Reserved Tax Credits Exchanged/Returned: \$2,494,869

Original Net Equity Factor (maximum \$0.80 for 2009): \$0.70 Fed

Calculated/Requested Amount of ARRA Funds: $(\$2,494,869 \times 10 \times 0.70) = \$17,464,083$

Calculated/Awarded ARRA Gap Funds: $(\$2,494,869 \times 10 \times 0.10) = \$2,494,869$

Total Cash Award Recommended: \$19,958,952 (\$17,464,083 ARRA Funds + \$2,494,869 ARRA Gap Funds)

Income/Rent Targeting

55-Year Use/Affordability Restriction: Yes

Number of Units @ or below 15% of area median income: 10
 Number of Units @ or below 20% of area median income: 22
 Number of Units @ or below 40% of area median income: 16
 Number of Units @ or below 50% of area median income: 15

Unit Type & Number	2009 Rents Targeted % of Area Median Income	2009 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
7 Studio Units	30%	15%	\$234
10 Studio Units	30%	20%	\$312
3 One-bedroom Units	30%	15%	\$250
5 One-bedroom Units	30%	20%	\$334
5 One-bedroom Units	40%	40%	\$669
4 One-bedroom Units	50%	50%	\$836
4 Two-bedroom Units	30%	20%	\$402
7 Two-bedroom Units	40%	40%	\$804
8 Two-bedroom Units	50%	50%	\$1,005
3 Three-bedroom Units	30%	20%	\$464
4 Three-bedroom Units	40%	40%	\$928
3 Three-bedroom Units	50%	50%	\$1,160
1 Two-bedroom Unit	Manager's Unit	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$28,844,402 Estimated Total Commercial Cost: \$1,105,669
 Estimated Total Residential Cost: \$27,738,733 Per Unit Cost: \$433,418

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo Bank	\$16,500,000	Wells Fargo Bank	\$800,000
City of Fremont	\$3,395,000	CalHFA – MHSA	\$1,040,000
City of Fremont	\$3,650,350	City of Fremont	\$3,395,000
TCAC ARRA Award	\$7,983,581	City of Fremont	\$3,650,350
		GP Equity	\$100
		TCAC ARRA Award	\$19,958,952
		TOTAL	\$28,844,402

Income and Expense Statement for Year 1

Gross Residential Rents: \$417,708
Total Rental Subsidy Income: \$284,952
Miscellaneous Income: \$3,840
Total Vacancy Rate Loss: (\$40,762)

Total Effective Gross Income:	\$665,738
Less Total Expenses/Reserves:	\$520,350
Net Operation Income:	\$145,388
Debt Service:	\$94,535
Net Cash Flow	\$50,853
Debt Service Ratio:	1.538 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.