

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2009 Cash in Lieu of Credits – Section 1602 Funds**

**January 27, 2010**

**Project Number** CA-2010-507

**Project Name** Orange Villas

Address: 225 and 440-450 Orange Ave.  
Coronado, CA 92118

County: San Diego

**Applicant Information**

Applicant: San Diego Interfaith Housing Foundation

Contact: Matthew Jumper

Address: 7956 Lester Ave.  
Lemon Grove, CA 91945

Phone: (619) 668-1532

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Email: mjumper@sdihf.org

General Partner Type: Nonprofit

The general partner or principal owner is the Coronado Interfaith Housing Corporation.

**Project Information**

Construction Type: New Construction/Rehabilitation

Federal Subsidy: Tax-Exempt

HCD MHP Funding: No

Total # of Units: 18

Total # Residential Buildings: 2

Federal Setaside Elected: 40%/60%

% & No. of Targeted Units: 100% - 18 units

**Information**

Housing Type: No qualifying type Proposed Average Affordability: 49.3547%

**Davis-Bacon Required:** No

**NEPA Required:** No

**State Prevailing Wages Required:** Yes

**15% Prevailing Wage Adjustment:** \$0

**2009 TCAC Project Number:** CA-2009-828

**2009 Annual Federal Tax Credits Reserved:** \$226,947

**2009 Federal Reserved Tax Credits Exchanged/Returned:** \$226,947

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

**Calculated Amount of Cash Requested:** (\$226,947 X 10 X 0.80) = \$1,815,576

**Total Cash Award Recommended:** \$1,815,576

<b>ARRA Scoring Criteria</b>	<b>Max. Possible Points</b>	<b>Points Awarded</b>
<b><i>Housing Type Points (Maximum of 50 points)</i></b>		
<input checked="" type="checkbox"/> Requested Large Family – Did not qualify	<b>10</b>	<b>0.0000</b>
<b><i>Total Project Cost/Cash Request Points (Maximum of 100 points)</i></b>		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$5,682,277		
Cash Award Request: \$1,815,567		
Total Points Awarded: $100 - (\$1,815,567 / \$5,682,277 \times 100) = 68.0486$	<b>100</b>	<b>68.0486</b>
<b><i>Total Average Affordability Points (Maximum of 100 points)</i></b>		
Projects Original Proposed Average Affordability: 49.3547%		
60% - Average Affordability X 5 Points = $(60\% - 49.3547\%) \times 5 = 100$	<b>100</b>	<b>53.2265</b>
<b><i>Total 15-Year Project-Based Rental Assistance Points (Maximum of 25 points)</i></b>		
N/A	<b>25</b>	<b>0.0000</b>
<b>Total Points</b>	<b>275</b>	<b>121.2751</b>

**Income/Rent Targeting**

55-Year Use/Affordability Restriction: Yes  
 Number of Units @ or below 55% of area median income: 6  
 Number of Units @ or below 50% of area median income: 12

**Approved 2009 TCAC Proposed Rent and Income Levels**

<u>Unit Type &amp; Number</u>	<u>% of Area Median Income</u>	<u>Proposed Rent</u> (including utilities)
1 SRO/Studio	50%	\$656
5 One-Bedroom	50%	\$749
6 Two-Bedrooms	50%	\$843
6 Two-Bedrooms	60%	\$1,011

**Project Financing**

Estimated Total Project Cost: \$5,682,277      Per Unit Cost: \$315,682

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Wells Fargo Bank – Tax Exempt	\$2,307,261	Ca. Community Reinvestment Corp	\$879,733
CDA City of Coronado	\$2,013,826	CDA City of Coronado	\$2,870,000
TCAC ARRA Funds	\$726,230	General Partner Equity	\$116,968
		TCAC ARRA Funds	\$1,815,576
		<b>TOTAL</b>	<b>\$5,682,277</b>

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

<b>Gross Residential Rents:</b>	\$179,484
<b>Rental Subsidy Income:</b>	\$0
<b>Miscellaneous Income:</b>	\$1,000
<b>Vacancy Rate: 7%</b>	(\$12,634)
<b>Total Effective Gross Income:</b>	\$167,850
<b>Less Total Expenses/Reserves/Taxes:</b>	\$89,970
<b>Net Operation Income:</b>	\$77,880
<b>Debt Service:</b>	\$65,000
<b>Net Cash Flow</b>	\$12,880
<b>Debt Service Ratio:</b>	1.19 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.