

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**

**Project Staff Report**

**2009 Cash in Lieu of Credits – TCAP Funds**

**January 27, 2010**

**Project Number** CA-2010-511

**Project Name** 220 Golden Gate Avenue  
**Address:** 220 Golden Gate Avenue  
San Francisco, CA 94102

**County:** San Francisco

**Applicant Information**

**Applicant:** 220 Golden Gate Associates, L.P.  
**Contact** Don Falk  
**Address:** 201 Eddy Street  
San Francisco, CA 94102

**Phone:** (415) 776-2151

**Fax:** (415) 776-3952

**Email:** dfalk@tndc.org

**General Partner Type:** Nonprofit

The general partner or principal owner is 220 Golden Gate GP LLC.

**Project Information**

**Construction Type:** Acquisition and Rehabilitation

**Federal Subsidy:** Tax-Exempt/HOME/CDBG

**HCD MHP Funding:** Yes

**Total # of Units:** 174

**Total # Residential Buildings:** 1

**Federal Setaside Elected:** 40%/60%

**% & No. of Targeted Units:** 100% - 172 units

**Information**

**Housing Type:** Single Room Occupancy (SRO) **Proposed Average Affordability:** 40.000%

**Davis-Bacon Required:** Yes

**NEPA Required:** Yes

**State Prevailing Wages Required:** No

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

**2009 TCAC Project Number:** CA-2009-849

**2009 Annual Federal Tax Credits Reserved:** \$3,009,062

**2009 Federal Reserved Tax Credits Exchanged/Returned:** \$3,008,962

**2009 Federal Reserved Tax Credits Retained:** \$100

**Original Net Equity Factor: (maximum \$0.80 for 2009)** \$0.79449 Fed

**Calculated Amount of Cash Requested:** (\$3,008,962 X 10 X 0.79449) = \$23,905,902

**Total Cash Award Recommended:** \$23,905,902

<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"/> Single Room Occupancy (SRO) Project	<b>50</b>	<b>50.000</b>
<b><i>Total Project Cost/Cash Request Points (Maximum of 100 points)</i></b>		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$86,914,550		
Cash Award Request: \$23,905,902		
Total Points Awarded: 100 - (\$23,905,902/\$86,914,550 X 100) = 72.4949	<b>100</b>	<b>72.4949</b>
<b><i>Total Average Affordability Points (Maximum of 100 points)</i></b>		
Projects Original Proposed Average Affordability: 40.0000%		
60% - Average Affordability X 5 Points = (60% - : 40.0000%) X 5 = 100	<b>100</b>	<b>100.0000</b>
<b><i>Total 15-Year Project-Based Rental Assistance Points (Maximum of 25 points)</i></b>		
<input checked="" type="checkbox"/> Project with 100% 15-Year Project-Based Rental Assistance = 25 points	<b>25</b>	<b>25.0000</b>
<b>Total Points</b>	<b>275</b>	<b>247.4949</b>

**Income/Rent Targeting**

55-Year Use/Affordability Restriction: Yes  
 Number of Units @ or below 40% of area median income: 174

**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)
17 SRO Units	9%	\$171
155 SRO Units	15%	\$286
2 SRO Units	Manager's Unit	\$800

**Project Financing**

Estimated Residential Project Cost: \$86,914,550 Per Unit Cost: \$499,509  
 Estimated Commercial Project Cost: \$1,965,720  
 Estimated Total Project Cost: \$88,880,270

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Citibank Community Capital	\$50,806,521	City and County of San Francisco	\$22,095,369
San Francisco Mayor's Office of Hsy.	\$22,098,466	HCD - MHP	\$10,000,000
AHP	\$1,500,000	HCD - TOD	\$17,000,000
TCAC ARRA Funds	\$9,562,360	CalHFA -MHSA	\$1,700,000
		AHP	\$1,500,000
		GP Equity	\$143,069
		Historic Tax Credit Equity	\$12,535,130
		Investor Equity	\$800
		TCAC ARRA Funds	\$23,905,902
		<b>TOTAL</b>	<b>\$88,880,270</b>

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

<b>Gross Residential Rents:</b>	\$576,444
<b>Rental Subsidy Income:</b>	\$1,619,054
<b>Miscellaneous Income:</b>	\$5,000
<b>Vacancy Rate: 10%</b>	(\$57,644)
<b>Total Effective Gross Income:</b>	\$2,142,854
<b>Less Total Expenses/Reserves:</b>	\$1,995,471
<b>Net Operation Income:</b>	\$147,383
<b>Debt Service:</b>	\$127,680
<b>Net Cash Flow</b>	\$13,163
<b>Debt Service Ratio:</b>	1.15 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.