

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2009 Cash in Lieu of Credits - Section 1602 Funds
July 8, 2009

Project Number CA-2009-508

Project Name Park Palace II Apartments

Site Address: 19193 "H" Street
 Mojave, CA County: Kern Census Tract: 0059.00

Applicant Information

Applicant: Park Place II Investors, L.P.
 Sponsor: Cyrus Youssefi
 Address: 1006 Fourth Street, Suite 701
 Sacramento, CA 95814
 Phone: (916) 446-4040 Fax: (916) 446-4044 email: cfyinc@yahoo.com

General Partners(s) Type: Joint Venture
 The general partners or principal owners are: Cyrus Youssefi and Community revitalization and Development Corporation.

Information

Housing Type: Large Family
 Geographic Area: Central
 Proposed Average Affordability: 49.89%

Project Information

Construction Type: New construction
 Total # of Units: 81
 Total # Residential Buildings: 7

Davis-Bacon or NEPA Required: No

State Prevailing Wages Required: No

2008 TCAC Project Number: CA-2008-027

Original 2008 Federal Tax Credits Allocated: \$1,180,104

2008 Federal Tax Credits Exchanged/Returned: \$1,180,104

Applicable Fraction: X .85

Cash Award Recommended: \$10,030,884

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)
3 Two-bedroom Units	30%	\$363
3 Two-bedroom Units	40%	\$484
20 Two-bedroom Units	50%	\$605
14 Two-bedroom Units	60%	\$726
4 Three-bedroom Units	30%	\$419

4	Three-bedroom Units	40%	\$559
16	Three-bedroom Units	50%	\$699
8	Three-bedroom Units	60%	\$839
1	Four-bedroom Units	30%	\$468
1	Four-bedroom Units	40%	\$624
4	Four-bedroom Units	50%	\$780
2	Four-bedroom Units	60%	\$936
1	Three-bedroom Units	Manager's unit	\$786

Project Financing

Estimated Total Project Cost: \$14,445,045 Per Unit Cost: \$178,334

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
WAMU	\$8,777,309	Permanent Loan	\$4,000,000
Deferred Developer Fee	\$1,734,033	Deferred Developer Fee	\$414,161
TCAC ARRA Funds	\$5,310,467	TCAC ARRA Funds	\$10,030,884
		TOTAL	\$14,445,045

Income and Expense Statement for Year 1

Gross Residential Rents:	\$616,440
Miscellaneous Income:	\$18,468
Less Vacancy Rate: 5%	\$(31,745)
Total Effective Gross Income:	\$603,163
Less Total Expenses/Reserves:	\$245,270
Net Operation Income:	\$327,893
Debt Service:	\$272,517
Debt Service Ratio:	1.20 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.

