

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

Project Number CA-2009-510

Project Name El Centro Senior Villas II
Site Address: 579-581 Park Avenue
El Centro, CA 92243 County: Imperial
Census Tract: 0115.00

Applicant Information

Applicant: El Centro Senior Villas II, a California Limited Partnership
Contact: Alexis Gevorgian
Address: 16633 Ventura Blvd., Suite 1014
Encino, CA 91436
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General Partners(s)Type: Joint Venture
The general partner(s) or principal owner(s) are LINC Housing Corporation and Affordable Housing Land Consultants, LLC.

Information

Housing Type: Seniors
Geographic Area: Inland Empire
Proposed Average Affordability: 48.30%

Project Information

Construction Type: New Construction
Total # of Units: 20
Total # Residential Buildings: 2

Davis-Bacon or NEPA Required: Yes

State Prevailing Wages Required: No

2008 TCAC Project Number: CA-2008-055

Original 2008 Federal Tax Credits Allocated: \$324,451

2008 Federal Tax Credits Retained: \$10,000

2008 Federal Tax Credits Exchanged/Returned: \$314,451

Applicable Fraction: X .85

Cash Award Recommended: \$2,672,834

Approved 2008 TCAC Proposed Rent and Income Levels

1 One-Bedroom Unit	30%	\$302
2 One-Bedroom Units	45%	\$453
8 One-Bedroom Units	50%	\$504
5 One-Bedroom Units	55%	\$554
1 Two-Bedroom Unit	30%	\$363
1 Two-Bedroom Unit	45%	\$544
2 Two-Bedroom Units	50%	\$605

Project Financing

Estimated Total Project Cost: \$4,664,673 Per Unit Cost: \$233,234

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
SunAmerica	\$2,322,180	CCRC	\$185,000
City of El Centro	\$1,500,000	City of El Centro - HOME	\$1,500,000
Deferred Developer Fee	\$608,912	Deferred Developer Fee	\$298,339
Deferred Costs	\$74,489	Investor Equity	\$8,500
TCAC ARRA Funds	\$616,395	TCAC ARRA Funds	\$2,672,834
		TOTAL	\$4,664,673

Income and Expense Statement for Year 1

Gross Residential Rents:	\$113,640
Miscellaneous Income:	\$1,500
Less Vacancy Rate: 5%	\$(5,757)
Total Effective Gross Income:	\$109,383
Less Total Expenses/Reserves:	\$86,000
Net Operation Income:	\$23,383
Debt Service:	\$14,770

Debt Service Ratio: 1.15 to 1 (Meets and exceeds requirement prior to any soft distributions)

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.