

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

Project Number CA-2009-514

Project Name Parkview on the Park
Site Address: 622-628 Alvarado Boulevard
Los Angeles, CA 90057 **County:** Los Angeles
Census Tracts: 2089.03

Applicant Information

Applicant: Los Angeles Housing Partnership
Sponsor: Mary Silverstein
Address: 1200 Wilshire Boulevard, Suite 307
Los Angeles, CA 90017
Phone: (213) 629-9172 **Fax:** (213) 629-9179
Email: msilverstein@lahousingpartnership.org

General Partner Type: Nonprofit
The general partner or principal owner is Los Angeles Housing Partnership.

Information

Set-Aside: Special Needs/SRO
Housing Type: Seniors
Proposed Average Affordability: 39.76%

Project Information

Construction Type: Rehabilitation
Total # of Units: 80
Total # Residential Buildings: 1

Davis-Bacon or NEPA Required: Yes
State Prevailing Wages Required: No
2008 TCAC Project Number: CA-2008-102
Original 2008 Federal Tax Credits Allocated: \$1,326,845
2008 Federal Tax Credits Retained: \$100
2008 Federal Tax Credits Exchanged/Returned: \$1,326,745
Applicable Fraction: X .85
Cash Award Recommended: \$11,277,333

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)
14 SRO / Studio	30%	\$398
14 SRO / Studio	35%	\$464
23 SRO / Studio	40%	\$531
18 SRO / Studio	45%	\$597
10 SRO / Studio	50%	\$663
1 Two-bedroom unit	Managers' Units	\$0

Project Financing

Estimated Total Project Cost: \$23,708,140 Per Unit Cost: \$346,351

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo Bank	\$11,401,950	Wells Fargo / CCRC	\$1,175,882
City of L.A. – HOME, DWP, RHPF	\$6,000,000	City of L.A. – AHTF	\$6,000,000
LAHD – Existing Earthquake Loan	\$3,800,000	LAHD – Existing Earthquake Loan	\$3,800,000
FHLB – AHP	\$560,000	FHLB – AHP	\$560,000
Deferred Developer Fee	\$1,164,000	Deferred Developer Fee	\$894,075
TCAC ARRA Funds	\$2,983,740	Investor Equity	\$850
		TCAC ARRA Funds	\$11,277,333
		TOTAL	\$23,708,140

Income and Expense Statement for Year 1

Gross Residential Rents:	\$498,710
Miscellaneous Income:	\$7,680
Less Vacancy Rate: 5%	\$(25,320)
Total Effective Gross Income:	\$481,071
Less Total Expenses/Reserves:	\$365,560
Net Operation Income:	\$115,511
Debt Service:	\$96,259
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), 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.