

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

Project Number CA-2009-526

Project Name New Genesis Apartments
Site Address: 452-458 South Main Street
Los Angeles, CA 90013 **County:** Los Angeles
Census Tracts: 2073.00

Applicant Information

Applicant: New Genesis Apartments, L.P.
Contact: Cristian Ahumada
Address: 1317 East 7th Street
Los Angeles, CA 90021
Phone: (213) 683-0522 **Fax:** (213) 683-0781
Email: cristian@skidrow.org

General Partner Type: Nonprofit
The general partner or principal owner is Skid Row Housing Trust.

Information

Housing Type: Special Needs
Type of SpN: Homeless/Mentally Ill/Substance Abuse/AIDS/HIV
79 of Special Need Units: 76%
Geographic Area: N/A
Proposed Average Affordability: 34.86%

Project Information

Construction Type: New Construction
Total # of Units: 106
Total # Residential Buildings: 1

Davis-Bacon or NEPA Required: Yes

State Prevailing Wages Required: No

2008 TCAC Project Number: CA-2008-149

Original 2008 Federal Tax Credits Allocated: \$1,819,676

2008 Federal Tax Credits Retained: \$100

2008 Federal Tax Credits Exchanged/Returned: \$1,819,576

Applicable Fraction: X .85

Cash Award Recommended: \$15,466,396

Approved 2008 TCAC Proposed Rent and Income Levels

10	SRO / Studio	30%	\$398
1	One-Bedroom	30%	\$426
57	SRO / Studio	40%	\$398
11	SRO / Studio	50%	\$398
20	SRO / Studio	60%	\$663
5	One-Bedroom	60%	\$710
2	One-Bedroom	Managers' Units	\$0

Project Financing

Estimated Total Project Cost: \$34,928,465 Per Unit Cost: \$317,190
 Estimated Residential Cost: \$33,622,182
 Estimated Commercial Cost: \$1,306,283

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo Bank	\$26,850,000	CCRC	\$1,224,000
LAHD – HOME/DWP/Bond Funds	\$5,587,486	LAHD – PSHP	\$5,587,486
Deferred Costs	\$690,016	LA CRA	\$2,100,000
Deferred Developer Fee	\$1,040,816	Deferred Developer Fee	\$881,633
General Partner Equity	\$100	Investor Equity	\$850
TCAC ARRA Funds	\$725,084	TCAC ARRA Funds	\$15,466,396
		HCD Bridge Loan	\$9,668,100
		TOTAL	\$34,928,465

Income and Expense Statement for Year 1

Gross Residential Rents:	\$1,087,560
Miscellaneous Income:	\$2,650
*Less Vacancy Rate: 8.8%	\$(51,200)
Total Effective Gross Income:	\$994,272
Less Total Expenses/Reserves:	\$523,020
Net Operation Income:	\$407,652
Debt Service:	\$339,619
Debt Service Ratio:	1.20 to 1

*** Blended vacancy allowance: 10% on special need units and 5% on non special need units**

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.