

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**2009 Cash in Lieu of Credits - Gap Financing/TCAP Funds**  
**August 26, 2009**

**Project Number** CA-2009-557

**Project Name** Tassafaronga Village Phase II  
**Address:** 1001 83<sup>rd</sup> Avenue  
Oakland, CA 94621 County: Alameda

**Applicant Information**

**Applicant:** Housing Authority of the City of Oakland, California  
**Sponsor:** Jon Gresley  
**Address:** 1619 Harrison Street  
Oakland, CA 94612  
**Phone:** (510) 874-1510 **Fax:** (510) 587-2145  
**Email:** jgresley@oakha.org  
**Sponsors Type:** Nonprofit

**General Partner Type:** Non-Profit  
The general partner or principal owner is Tassafaronga Housing Corporation.

**Project Information**

**Construction Type:** New Construction  
**Federal Subsidy:** Tax-Exempt  
**HCD MHP Funding:** Yes  
**Total # of Units:** 20  
**Total # Residential Buildings:** 1

**Information**

**Housing Type:** Special Needs  
**Proposed Average Affordability:** 30.01

**Davis-Bacon Required:** Yes

**NEPA Required:** Yes

**State Prevailing Wages Required:** No

**2008 TCAC Project Number:** CA-2008-937

**Original 2008 Federal Tax Credits Reserved:** **Federal Credit**  
\$337,601

**2008 Federal Tax Credits Retained:** \$337,601

**Amount of Gap Financing Requested:** **Federal Credit**  
11.5 Cents

**Current Net Equity Factor:** **.73.5**

**Federal Calculation**

**Amount of Net Equity Factor Requested:**  $(\$337,601 \times 10 \times .11.5) = \$388,241$

**Amount of Gap Financing Recommended:** **\$388,241**

<b>ARRA Scoring Criteria</b>	<b>Max. Possible Points</b>	<b>Points Awarded</b>
<b><i>DDA Bonus Points</i></b>	<b>25</b>	<b>0</b>
<b><i>Housing Type Points (Maximum of 50 points)</i></b>		
<input checked="" type="checkbox"/> Special Needs, SRO, Homeless Project	<b>50</b>	<b>50</b>
<b><i>Total Project Cost/Cash Request Points (Maximum of 100 points)</i></b>		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$8,221,119		
Cash Award Request: \$388,241		
Total Points Awarded: $100 - (\$388,241 / \$8,221,119 \times 100) = 95.2775$	<b>100</b>	<b>95.2775</b>
<b><i>Total Average Affordability Points (Maximum of 100 points)</i></b>		
Projects Original Proposed Average Affordability: 30.01%		
$60\% - \text{Average Affordability} \times 5 \text{ Points} = (60\% - 30.01\%) \times 5 = 149.95$	<b>100</b>	<b>100.00</b>
<b>Total Points</b>	<b>275</b>	<b>245.2775</b>

**Approved 2008 TCAC Proposed Rent and Income Levels**

<b><u>Unit Type &amp; Number</u></b>	<b><u>% of Area Median Income</u></b>	<b><u>Proposed Rent</u></b> (including utilities)
7 One-Bedroom	30%	\$452
12 Two-Bedroom	30%	\$581
1 Two-Bedroom	Manager's Unit	\$942

**Project Financing**

Estimated Total Project Cost: \$8,934,927 Per Unit Cost: \$470,259

<b>Construction Financing</b>		<b>Permanent Financing</b>	
Source	Amount	Source	Amount
HCD - MHP	\$2,725,927	HCD - MHP	\$2,725,055
HOPWA	\$500,000	HOPWA	\$500,000
HELP Loan through OHA	\$500,000	HELP Loan through OHA	\$500,000
OHA Loan	\$1,481,625	OHA Loan	\$1,470,437
Deferred Developer Fee	\$564,803	Deferred Developer Fee	\$575,991
AHP	\$200,000	AHP	\$200,000
TCAC ARRA Funds	\$388,241	TCAC ARRA Funds	\$388,241
		Investor Equity	\$2,575,203
		<b>TOTAL</b>	<b>\$8,934,927</b>

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

<b>Gross Residential Rents:</b>	\$116,292
<b>Subsidy Income:</b>	\$149,508
<b>Miscellaneous Income:</b>	\$11,616
<b>Vacancy Rate: 5%</b>	(\$27,742)
<b>Total Effective Gross Income:</b>	\$249,674
<b>Less Total Expenses/Reserves:</b>	\$165,780
<b>Net Operation Income:</b>	\$83,894
<b>Debt Service:</b>	\$11,445
<b>Net Cash Flow</b>	\$72,449
<b>Debt Service Ratio:</b>	7.33 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.