

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2009 Cash in Lieu of Credits - Section 1602 Funds
July 8, 2009
REVISED - 11-23-09

Project Number CA-2009-509

Project Name Bell View Apartments
Site Address: 622 South Velare Street
Anaheim, CA 92804 **County:** Orange
Census Tract: 0870.02

Applicant Information

Applicant: 622 S. Velare Street Associates, a California Limited Partnership
Sponsor: Darren Berberian
Address: 4299 MacArthur Blvd., Suite 215
Newport Beach, CA 92660
Phone: (949) 851-6993 **Fax:** (949) 851-8062

General Partners(s)Type: Joint Venture
The general partner(s) or principal owner(s) are National Affordable Communities, Inc., and Western Community Housing, Inc., a California Non-Profit Public Benefit.

Information

Housing Type: Large Family
Geographic Area: Orange County
Proposed Average Affordability: 49.36%

Project Information

Construction Type: New Construction
Total # of Units: 46
Total # Residential Buildings: 3

Davis-Bacon or NEPA Required: No

State Prevailing Wages Required: Yes

Applicant Requested 15% Augmentation of the Original Development Budget to Help Assist in Complying with Prevailing Wage and Other Federal Requirements.

Augmentation Calculation

15% Prevailing Wage Adjustment: **\$681,207** Site Work + Structures x 15% = Total Prevailing Wage Adjustment
(\$1,116,382 + \$3,425,000) X 15% = \$681,207

2008 TCAC Project Number: CA-2008-047

Original 2008 Federal Tax Credits Allocated: \$939,042

2008 Federal Tax Credits Exchanged/Returned: \$939,042

Applicable Fraction: X .85

Amount of Financing Requested: \$7,981,857 ((\$7,981,857 X .85) X 10)

Amount of Prevailing Wage Augmentation Requested: \$681,207

Revised ARRA Cash Request: \$8,663,064 (\$7,981,857 + \$681,207)

Cash Award Recommended: \$8,663,064

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%	\$627
3 Two-Bedroom Units	40%	\$837
13 Two-Bedroom Units	50%	\$1,046
7 Two-Bedroom Units	60%	\$1,255
1 Three-Bedroom Unit	30%	\$725
1 Three-Bedroom Unit	40%	\$967
5 Three-Bedroom Units	50%	\$1,208
2 Three-Bedroom Units	60%	\$1,450
1 Four-Bedroom Unit	30%	\$809
1 Four-Bedroom Unit	40%	\$1,079
5 Four-Bedroom Units	50%	\$1,348
3 Four-Bedroom Units	60%	\$1,618
1 Two-Bedroom Unit	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$14,910,821 Per Unit Cost: \$324,148

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
SunAmerica	\$7,474,348	Permanent Loan	\$4,800,448
Deferred Developer Fee	\$1,158,326	Deferred Developer Fee	\$872,309
TCAC ARRA Funds	\$6,113,164	AHP	\$575,000
		TCAC ARRA Funds	\$8,663,064
		TOTAL	\$14,910,821

Income and Expense Statement for Year 1

Gross Residential Rents:	\$592,944
Miscellaneous Income:	\$8,280
Less Vacancy Rate: 5%	\$(30,061)
Total Effective Gross Income:	\$570,163
Less Total Expenses/Reserves:	\$183,320
Net Operation Income:	\$399,843
Debt Service:	\$337,255
Debt Service Ratio:	1.15 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.