

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-2009-523

Project Name Sunny View II Apartments

Site Address: 430 20th Avenue

Delano, CA 93215

County: Kern

Census Tract: 48

Applicant Information

Applicant: 20th and 18th Avenue Associates, a California Limited Partnership

Contact: Andrew Hanna

Address: 2010 Main Street, Suite 1250

Irvine, CA 92614

Phone: (949) 222-9119

Fax: (949) 266-8821

Email: andrew@globalpremierdevelopment.com

General Partner Type: Joint Venture

The general partners or principal owners are Global Premier Development, Inc. and Central Valley Coalition for Affordable Housing.

Information

Housing Type: Large Family

Geographic Area: Central Region

Proposed Average Affordability: 49.79%

Project Information

Construction Type: New Construction

Total # of Units: 70

Total # Residential Buildings: 5

Davis-Bacon or NEPA Required: No

State Prevailing Wages Required: Yes

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

Augmentation Calculation

	Site Work + Structures x 15% = Total Prevailing Wage Adjustment
15% Prevailing Wage Adjustment: \$1,152,750	(\$750,000 + \$6,935,000) X 15% = \$1,152,750

2008 TCAC Project Number: CA-2008-138

Original 2008 Federal Tax Credits Allocated: \$988,851

2008 Federal Tax Credits Exchanged/Returned: \$988,851

Applicable Fraction: X .85

Amount of Financing Requested: \$8,405,234 ((988,851 X .85) X 10)

Amount of Prevailing Wage Augmentation Requested: \$1,152,750

Revised ARRA Cash Request: \$9,557,984 (\$8,405,234 + \$1,152,750)

Cash Award Recommended: \$9,557,984

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)
4 Two-Bedroom Units	30%	\$363
4 Two-Bedroom Units	40%	\$484
23 Two-Bedroom Units	50%	\$605
14 Two-Bedroom Units	60%	\$726
3 Three-Bedroom Units	30%	\$419
3 Three-Bedroom Units	40%	\$559
12 Three-Bedroom Units	50%	\$699
6 Three-Bedroom Units	60%	\$839
1 Two-Bedroom Units	Manager's Unit	\$726

Project Financing

Estimated Total Project Cost: \$14,048,821 Per Unit Cost: \$200,697

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
SunAmerica	\$7,761,003	Permanent Loan	\$3,237,269
Deferred Developer Fee	\$1,481,585	AHP	\$900,000
TCAC ARRA Funds	\$4,598,162	Deferred Developer Fee	\$353,568
		TCAC ARRA Funds	\$9,557,984
		TOTAL	\$14,048,821

Income and Expense Statement for Year 1

Gross Residential Rents:	\$513,672
Miscellaneous Income:	\$10,920
Less Vacancy Rate: 5%	\$(26,230)
Total Effective Gross Income:	\$498,362
Less Total Expenses/Reserves:	\$255,000
Net Operation Income:	\$243,362
Debt Service:	\$211,619
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.