

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**2009 Cash in Lieu of Credits - Section 1602 Funds**  
**July 8, 2009**  
**REVISED – 11-24-09**

**Project Number** CA-2009-529

**Project Name** Santa Fe Apartments  
**Site Address:** 701 Union Avenue  
 Bakersfield, CA 93307 **County:** Kern  
**Census Tract:** 0020.00

**Applicant Information**

**Applicant:** AMCAL Multi-Housing, Inc.  
**Sponsor:** David Yarden  
**Address:** 30141 Agoura Road, Suite 100  
 Agoura Hills, CA 91301  
**Phone:** (818) 706-0694 **Fax:** (818) 865-1813  
**Email:** david@amcalhousing.com

**General Partners(s) Type:** Joint Venture  
 The general partner(s) or principal owner(s) are Las Palmas Foundation and AMCAL Multi-Housing, Inc.

**Information**

**Housing Type:** Large Family  
**Geographic Area:** Central (Kern)  
**Proposed Average Affordability:** 49.64%

**Project Information**

**Construction Type:** New Construction  
**Total # of Units:** 56  
**Total # Residential Buildings:** 6

**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: **\$969,967** Site Work + Structures x 15% = Total Prevailing Wage Adjustment  
 (\$625,000 + \$5,841,449) X 15% = \$969,967

15% Prevailing Wage Adjustment: \$969,967

**2008 TCAC Project Number:** CA-2008-155

**Original 2008 Federal Tax Credits Allocated:** \$712,960

**2008 Federal Tax Credits Exchanged/Returned:** \$712,960

**Applicable Fraction:** X .85

**Amount of Financing Requested:** \$6,060,160 (((\$712,960 X .85) X 10)

**Amount of Prevailing Wage Augmentation Requested:** \$969,967

**Revised ARRA Cash Request:** \$7,030,127 (\$6,060,160 + \$969,967)

**Cash Award Recommended:** \$7,030,127

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

| <u>Unit Type &amp; Number</u> | <u>% of Area Median Income</u> | <u>Proposed Rent</u><br>(including utilities) |
|-------------------------------|--------------------------------|---|
| 2 Two-Bedroom Units           | 30%                            | \$363   |
| 6 Two-Bedroom Units           | 40%                            | \$484   |
| 11 Two-Bedroom Units          | 50%                            | \$605   |
| 2 Three-Bedroom Units         | 30%                            | \$419   |
| 17 Three-Bedroom Units        | 50%                            | \$699   |
| 13 Three-Bedroom Units        | 60%                            | \$839   |
| 2 Four-Bedroom Units          | 30%                            | \$468   |
| 2 Four-Bedroom Units          | 60%                            | \$936   |
| 1 Three-Bedroom Units         | Manager's Unit                 | \$786   |

**Project Financing**

Estimated Total Project Cost: \$11,683,734 Per Unit Cost: \$205,263

Estimated Residential Cost: \$11,494,734

Estimated Commercial Cost: \$189,000

| <b>Construction Financing</b>     |             | <b>Permanent Financing</b>        |                     |
|-----------------------------------|-------------|-----------------------------------|---------------------|
| Source                            | Amount      | Source                            | Amount              |
| Union Bank of California          | \$6,370,459 | CCRC                              | \$1,653,607         |
| Deferred Developer Fee            | \$1,087,212 | City of Bakersfield RDA           | \$400,000           |
| City of Bakersfield Economic Dev. | \$2,000,000 | City of Bakersfield Economic Dev. | \$2,000,000         |
| TCAC ARRA Funds                   | \$1,568,512 | Deferred Fees                     | \$600,000           |
|                                   |             | TCAC ARRA Funds                   | \$7,030,127         |
|                                   |             | <b>TOTAL</b>                      | <b>\$11,683,734</b> |

**Income and Expense Statement for Year 1**

|                                      |            |
|--------------------------------------|------------|
| <b>Gross Residential Rents:</b>      | \$416,136  |
| <b>Miscellaneous Income:</b>         | \$6,048    |
| <b>Less Vacancy Rate: 5%</b>         | \$(29,553) |
| <b>Total Effective Gross Income:</b> | \$392,631  |
| <b>Less Total Expenses/Reserves:</b> | \$236,960  |
| <b>Net Operation Income:</b>         | \$155,671  |
| <b>Debt Service:</b>                 | \$135,366  |
| <b>Debt Service Ratio:</b>           | 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.