

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-2009-530

Project Name Westside II
Site Address: 725 South Hindry Avenue
Inglewood, CA 90301 **County:** Los Angeles
Census Tracts: 6014.01

Applicant Information

Applicant: Cloudbreak Inglewood, LLC
Contact: Randall Bishop
Address: 733 Hindry Avenue
Inglewood, CA 90301
Phone: (310) 568-9100 **Fax:** (310) 568-9191
Email: rbishop@cantwell-anderson.com

General Partner Type: For Profit
The general partner or principal owner is Cloudbreak Inglewood, LLC.

Information

Housing Type: Special Needs
Type of SpN: Homeless, At-risk of Homeless, Mentally Ill/Disabled, Physically Disabled,
Chronic Drug/Alcohol Abuse
147 Special Need Units: 75%
Geographic Area: N/A
Proposed Average Affordability: 39.86%

Project Information

Construction Type: New Construction
Total # of Units: 196
Total # Residential Buildings: 1

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: **\$2,991,497** Site Work + Structures x 15% = Total Prevailing Wage Adjustment
(\$2,493,000 + \$17,450,314) X 15% = \$2,991,497

2008 TCAC Project Number: CA-2008-190

Original 2008 Federal Tax Credits Allocated: \$2,000,000

2008 Federal Tax Credits Exchanged/Returned: \$2,000,000

Applicable Fraction: X .85

Amount of Financing Requested: \$17,000,000 (((\$2,000,000 X .85) X 10)

Amount of Prevailing Wage Augmentation Requested: \$2,991,497

Revised ARRA Cash Request: \$19,991,497 (\$17,000,000 + \$2,991,497)

Cash Award Recommended: \$19,991,497

Approved 2008 TCAC Proposed Rent and Income Levels

		(including utilities)
42 SRO / Studio	30%	\$398
52 SRO / Studio	40%	\$530
74 SRO / Studio	50%	\$550
28 SRO / Studio	60%	\$665

Managers located in adjacent project

Project Financing

Estimated Total Project Cost: \$34,469,489 Per Unit Cost: \$175,865

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Red Capital	\$10,500,000	City of Inglewood RDA	\$7,400,000
City of Inglewood RDA	\$7,400,000	Westside Residence Hall, Inc.	\$903,692
Westside Residence Hall, Inc.	\$1,500,000	HCD – Infill Infrastructure Grant	\$6,174,300
HCD – Infill Infrastructure Grant	\$7,500,000	TCAC ARRA Funds	\$19,991,497
TCAC ARRA Funds	\$4,577,992	TOTAL	\$34,469,489

Income and Expense Statement for Year 1

Gross Residential Rents:	\$1,243,301
Miscellaneous Income:	\$16,464
Less Vacancy Rate: 5%	\$(125,976)
Total Effective Gross Income:	\$1,133,788
Less Total Expenses/Reserves:	\$1,033,704
Net Operation Income:	\$100,084
Debt Service:	\$0
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.