

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2009 Cash in Lieu of Credits – Section 1602 Funds
December 16, 2009

Project Number CA-2009-605

Project Name Hotel Berry
Address: 729 L Street
Sacramento, CA 95814 County: Sacramento

Applicant Information

Applicant: 729 L Street Limited Partnership
Contact Jeree Glasser-Hedrick
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General Partner Type: Nonprofit
The general partner or principal owner is Norwood Avenue Housing Corporation.

Project Information

Housing Type: SRO
Construction Type: Acquisition and Rehabilitation
Rental/Operating Subsidy: 10% (10 Units - MHSA (Operating Subsidy))
HCD Funding: No
Total # of Units: 104
Total # Residential Buildings: 1
Federal Set-Aside Elected: 40%/60%
% & No. of Tax Credit Units: 100% - 103 units

Davis-Bacon Required: No

NEPA Required: No

State Prevailing Wages Required: Yes

2009 TCAC Project Number: CA-2009-077

2009 Annual Federal Tax Credits Reserved: \$1,695,133

2009 Federal Reserved Tax Credits Exchanged/Returned: \$1,695,133

Original Net Equity Factor (maximum \$0.80 for 2009): \$0.70 Fed

Calculated/Requested Amount of ARRA Funds: $(\$1,695,133 \times 10 \times 0.70) = \$11,865,933$

Calculated/Awarded ARRA Gap Funds: $(\$1,695,133 \times 10 \times 0.10) = \$1,695,133$

Total Cash Award Recommended: \$13,561,066 (\$11,865,933 ARRA Funds + \$1,695,133 ARRA Gap Funds)

Income/Rent Targeting

55-Year Use/Affordability Restriction: Yes
 Number of Units @ or below 20% of area median income: 10
 Number of Units @ or below 30% of area median income: 1
 Number of Units @ or below 35% of area median income: 11
 Number of Units @ or below 40% of area median income: 70
 Number of Units @ or below 45% of area median income: 11

Unit Type & Number	2009 Rents Targeted % of Area Median Income	2009 Rents Actual % of Area Median Income	Proposed Rent (including utilities)
10 Studio Units	30%	20%	\$255
1 Studio Unit	30%	30%	\$382
11 Studio Units	35%	35%	\$446
70 Studio Units	40%	40%	\$510
11 Studio Units	45%	45%	\$573
1 Studio Unit	Manager's Unit	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$24,005,475 Estimated Total Commercial Cost: \$165,302
 Estimated Total Residential Project Cost: \$23,840,173 Per Unit Cost: \$229,232

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
US Bank	\$6,696,000	SHRA* Acquisition Grant	\$3,982,436
SHRA* Acquisition Grant	\$3,982,436	SHRA Acquisition Loan	\$2,017,564
SHRA Acquisition Loan	\$2,017,564	SHRA Loan	\$2,413,050
SHRA Loan	\$2,413,050	SHRA Grant (operating reserve)	\$1,250,000
SHRA Grant (operating reserve)	\$1,250,000	SHRA (MHSA operating subsidy)	\$450,000
SHRA (MHSA operating subsidy)	\$450,000	Deferred Developer Fee	\$331,359
Deferred Developer Fee	\$1,771,998	TCAC ARRA Award	\$13,561,066
TCAC ARRA Award	\$5,424,426	TOTAL	\$24,005,475

*Sacramento Housing and Redevelopment Agency

Income and Expense Statement for Year 1

Gross Residential Rents: \$598,092
Capitalized Operating Reserve: \$47,255*
Miscellaneous Income: \$0
Total Vacancy Rate Loss: (\$59,809)
Total Effective Gross Income: \$585,538

Less Total Expenses/Reserves:	\$585,538
Net Operation Income:	\$0
Debt Service:	\$0**
Net Cash Flow	\$0
Debt Service Ratio:	N/A**

* \$90,391 drawdown from the \$1,700,000 total in capitalized operating reserves less the partnership management fees and deferred developer fee totaling \$43,136.

** No annual debt service (hard debt).

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.