

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2009 Cash in Lieu of Credits - TCAP Funds
July 8, 2009

Project Number CA-2009-512

Project Name Season at Regency Place II
Site Address: Shady Lane South of Red Bud Drive
Anderson, CA 96007 County: Shasta
Census Tract: 0121.00

Applicant Information

Applicant: Anderson Regency II Associates, a California Limited Partnership
Sponsor: Alexis Gevorgian
Address: 16633 Ventura Blvd., Suite 1014
Encino, CA 91436
Phone: (818) 380-2600 **Fax:** (818) 380-2603

General Partner Type: Joint Venture
The general partner(s) or principal owner(s) are LINC Housing Corporation and Affordable Housing Land Consultants, LLC.

Information

Housing Type: Seniors
Proposed Average Affordability: 50.48%

Project Information

Construction Type: New Construction
Total # of Units: 79
Total # Residential Buildings: 5

Davis-Bacon or NEPA Required: Yes

State Prevailing Wages Required: No

2008 TCAC Project Number: CA-2008-075

Original 2008 Federal Tax Credits Allocated: \$1,169,660

2008 Federal Tax Credits Retained: \$10,000

2008 Federal Tax Credits Exchanged/Returned: \$1,159,660

Applicable Fraction: X .85

Cash Award Recommended: \$9,857,110

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)
6 One-bedroom Unit	30%	\$302
26 One-bedroom Units	50%	\$504
31 One-bedroom Units	55%	\$554
2 Two-bedroom Units	30%	\$363
4 Two-bedroom Units	50%	\$605
9 Two-bedroom Units	55%	\$665
1 Two-bedroom Unit	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$14,202,110 Per Unit Cost: \$179,774

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
SunAmerica	\$9,868,905	Wells Fargo Bank	\$1,400,000
City of Anderson - HOME	\$1,900,000	City of Anderson - HOME	\$1,900,000
Deferred Costs	\$149,622	City of Anderson RDA	\$700,000
Deferred Developer Fee	\$600,000	Deferred Developer Fee	\$260,000
TCAC ARRA Funds	\$2,222,132	Investor Equity	\$85,000
		TCAC ARRA Funds	\$9,857,110
		TOTAL	\$14,202,110

Income and Expense Statement for Year 1

Gross Residential Rents:	\$442,896
Miscellaneous Income:	\$5,925
Less Vacancy Rate: 5%	\$(22,441)
Total Effective Gross Income:	\$426,380
Less Total Expenses/Reserves:	\$302,175
Net Operation Income:	\$124,205
Debt Service:	\$104,400
Debt Service Ratio:	1.19 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), Tax Credit Assistance Program (TCAP) funds for the project sponsor. This Conditional Reservation would not constitute a commitment of funds or site approval, and that such commitment of funds or approval

may occur only upon satisfactory completion of environmental review and receipt by the California Tax Credit Allocation Committee of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part §58. The provision of any funds to the project is conditioned on TCAC's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review and further underwriting.

The project sponsor is prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance. A violation of this provision may result in the denial of any funds.

In addition, each project ultimately awarded ARRA TCAP funds will have to comply with all federal requirements, such as Section 504, Davis-Bacon federal labor standards laws, anti-lobbying requirements, lead-based paint rules, and other federal laws.

All ARRA funded projects will be required to track and report on all jobs created or retained as a result of the funds.