

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2009 Cash in Lieu of Credits - Gap Financing/TCAP Funds & HCD Loan Guarantee
August 26, 2009

Project Number CA-2009-565

Project Name Camellia Place
Site Address: 1855 Cheatham Avenue
Bakersfield, CA 93307 **County:** Kern

Applicant Information

Applicant: Camellia Place, L.P.
Contact: Gwendy Silver Egnater
Address: 15303 Ventura Boulevard, Suite 1100
Sherman Oaks, CA 91403
Phone: (818) 905-2430 **Fax:** (818) 905-2440

General Partner Type: Non-Profit

The general partner or principal owner/sponsor is Corporation for Better Housing.

Project Information

Construction Type: New Construction
Federal Subsidy: Tax-Exempt
HCD MHP Funding: Yes
Total # of Units: 45
Total # Residential Buildings: 45

Information

Housing Type: Large Family
Proposed Average Affordability: 45.0233

Davis-Bacon Required: No

NEPA Required: Yes

State Prevailing Wages Required: Yes

2009 TCAC Project Number: CA-2009-833

	Federal Credit	State Credit
Requested 2009 Federal & State Tax Credits:	\$396,636	\$1,473,218

2009 Federal & State Tax Credits Expected to be Retained:	\$396,636	\$1,473,218
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	Federal Credit	State Credit
Amount of Gap Financing Requested:	12 Cents	9 Cents

Current Net Equity Factor:	.725	.50
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	Federal Calculation	State Calculation
Amount of Net Equity Factor Requested:	$(\$396,636 \times 10 \times .12) = \$475,963$	$(\$1,473,218 \times .09) = \$132,590$

Amount of Gap Financing Recommended: \$608,553

HCD Loan Guarantee Requested: \$2,828,000

HCD Loan Guarantee Recommended: \$2,828,000

ARRA Scoring Criteria	Max. Possible Points	Points Awarded
<i>DDA Bonus Points</i>	25	0
<i>Housing Type Points (Maximum of 50 points)</i>		
<input checked="" type="checkbox"/> Large Family/Senior Project	10	10
<i>Total Project Cost/Cash Request Points (Maximum of 100 points)</i>		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$11,867,676		
Cash Award Request: \$608,553		
Total Points Awarded: $100 - (\$608,553 / \$11,867,676 \times 100) = 94.8721$	100	94.8721
<i>Total Average Affordability Points (Maximum of 100 points)</i>		
Projects Original Proposed Average Affordability: 45.0233%		
60% - Average Affordability X 5 Points = $(60\% - 45.0233\%) \times 5 = 74.8835$	100	74.8835
Total Points	275	179.7556

Approved 2009 TCAC Proposed Rent and Income Levels

<u>Unit Type & Number</u>	<u>% of Area Median Income</u>	<u>Proposed Rent</u> (including utilities)
3 Three-Bedroom	30%	\$435
3 Three-Bedroom	40%	\$580
3 Three-Bedroom	45%	\$653
2 Three-Bedroom	50%	\$725
3 Three-Bedroom	60%	\$870
5 Four-Bedroom	30%	\$485
7 Four-Bedroom	40%	\$647
5 Four-Bedroom	45%	\$727
8 Four-Bedroom	50%	\$808
5 Four-Bedroom	60%	\$907
1 Three-Bedroom	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$11,867,676 Per Unit Cost: \$263,726

Alliant Mortgage – Tax Exempt Bonds	\$8,256,579	Alliant Mortgage	\$677,000
HCD – Joe Serna	\$1,350,000	HCD – Joe Serna	\$1,500,000
AHP	\$434,000	AHP	\$434,000
TCAC ARRA Funds	\$243,421	HCD – MHP ARRA Guarantee	\$2,828,000
Investor Equity	\$290,201	County of Kern - HOME	\$900,000
		Deferred Developer Fee	\$664,790
		TCAC ARRA Funds	\$608,553
		Investor Equity	\$4,255,333
		TOTAL	\$11,867,676

Income and Expense Statement for Year 1

Gross Residential Rents:	\$325,344
Miscellaneous Income:	\$5,400
Vacancy Rate: 5%	(\$16,537)
Total Effective Gross Income:	\$314,207
Less Total Expenses/Reserves:	\$244,500
Net Operation Income:	\$69,707
Debt Service:	\$48,707
Net Cash Flow	\$20,999
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.

Special Conditions

"Actual award of the ARRA funds is contingent upon the applicant receiving an allocation of federal 4% tax credits from the California Tax Credit Allocation Committee. If the project does not receive an allocation of federal tax credits prior to September 30, 2009, the project will be ineligible for an ARRA award."

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.