

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

Project Staff Report

2009 Cash in Lieu of Credits – TCAP Funds

August 26, 2009

Project Number CA-2009-589

Project Name Golden Age Garden

Address: 740 S 36th Street
San Diego, CA 92113

County: San Diego

Applicant Information

Applicant: Golden Age Garden Housing Partners, LP

Sponsor: Ruben Islas

Address: PO Box 880367
San Diego, CA 92168

Phone: (619) 840-6305

Fax: (619) 374-2094

Email: ruben@amerland.bz

General Partner Type: Joint Venture

The general partner(s) or principal owner(s) are Amerland/ Golden Age, LLC and Pacific Housing, Inc.

Project Information

Construction Type: Acquisition and Rehabilitation

Federal Subsidy: Tax-Exempt/ HUD Section 8

HCD MHP Funding: No

Total # of Units: 76

Total # Residential Buildings: 1

Information

Housing Type: Seniors

Proposed Average Affordability: 40.00

Davis-Bacon Required: Yes

NEPA Required: Yes

State Prevailing Wages Required: No

2009 TCAC Project Number: CA-2009-816

Federal/Annual

2009 Federal Tax Credits Reserved: \$418,421

2009 Federal Tax Credits Retained: \$100

2009 Federal Reserved Tax Credits Exchanged/Returned: \$418,321

Original Net Equity Factor: (Max .85 for 2008 & .80 for 2009) .7094 Fed

Calculated Amount of Cash Requested: (\$418,321 X 10 X .70947) = \$2,967,867

Total Cash Award Recommended: **\$2,967,867**

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"/> At-Risk Project	30	30
<i>Total Project Cost/Cash Request Points (Maximum of 100 points)</i>		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$12,406,574		
Cash Award Request: \$2,967,867		
Total Points Awarded: $100 - (\$2,967,867 / \$12,406,574 \times 100) = 76.0782$	100	76.0782
<i>Total Average Affordability Points (Maximum of 100 points)</i>		
Projects Original Proposed Average Affordability: 40%		
60% - Average Affordability X 5 Points = $(60\% - 40\%) \times 5 = 100$	100	100
Total Points	275	206.0782

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)
52 One-Bedroom	60%	\$702
23 One-Bedroom	50%	\$702
1 Two-Bedroom	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$12,341,919 Per Unit Cost: \$162,394

Citigroup/Freddie Max – T.E. Bonds	\$5,620,000	CSCDA	\$5,620,000
San Diego Housing Commission	\$3,662,000	San Diego Housing Commission	\$3,662,000
Islas Development, LLC	\$92,052	Islas Development, LLC	\$91,202
Deferred Costs	\$1,780,720	Investor Equity	\$850
TCAC ARRA Funds	\$1,187,147	TCAC ARRA Funds	\$2,967,867
		TOTAL	\$12,341,919

Income and Expense Statement for Year 1

Gross Residential Rents:	\$615,600
Rental Subsidy Income:	\$223,440
Miscellaneous Income:	\$2,820
Vacancy Rate: 5%	(\$42,093)
Total Effective Gross Income:	\$799,767
Less Total Expenses/Reserves:	\$334,501

Net Operation Income:	\$465,266
Debt Service:	\$401,811
Net Cash Flow	\$63,455
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), 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.

Numbers contained in the proposed financing are subject to update and will be refined within 30 days of loan execution agreement.