

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2009 Cash in Lieu of Credits - Section 1602 Funds
August 5, 2009
REVISED – 11-24-09

Project Number CA-2009-537

Project Name The Village at Tehachapi Family Apartments
Site Address: East side of North Mill Street and North of H Street
Tehachapi, CA 93561 County: Kern

Applicant Information

Applicant: Tehachapi Housing Investors, a California limited Partnership
Contact: Andrew Hanna
Address: 2010 Main Street, Suite 1250
Irvine, CA 92614
Phone: 949 222-9119 **Fax:** 949 222-0942
Email: andrew@globalpremierdevelopment.com

General Partners(s)Type: Joint Venture
The general partner(s) or principal owner(s) are Foundation for Affordable Housing V, Inc. and Global Premier Development, Inc.

Information

Housing Type: Large Family
Proposed Average Affordability: 49.87%

Project Information

Construction Type: New Construction
Federal Subsidy: HOME
Total # of Units: 81
Total # Residential Buildings: 10

Davis-Bacon Required: No

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

Site Work + Structures x 15% = Total Prevailing Wage Adjustment

15% Prevailing Wage Adjustment: **\$1,230,000** (\$1,600,000 + \$6,600,000) X 15% = \$1,230,000

15% Prevailing Wage Adjustment: \$1,230,000

2008 TCAC Project Number: CA-2008-128

Original 2008 Federal & State Tax Credits Allocated: \$803,432 \$3,012,872

2008 Federal & State Tax Credits Exchanged/Returned: \$803,432 \$3,012,872

Current Net Equity Factor: .85 Fed .60 State

Amount of Net Equity Factor Requested:	(\$803,432 X 10 X .85)	(\$3,012,872 X .60)
Federal & State Totals	\$6,829,172	\$1,807,723
Amount of Financing Requested:	\$8,636,895	(\$6,829,172 + \$1,807,723)
Amount of Prevailing Wage Augmentation Requested:	\$1,230,000	
Revised ARRA Cash Request:	\$9,866,895	(\$8,636,895 + \$1,230,000)
Total Cash Award Recommended:	\$9,866,895	

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)
4 Two-bedroom Units	30%	\$363
4 Two-bedroom Units	40%	\$484
20 Two-bedroom Units	50%	\$605
12 Two-bedroom Units	60%	\$726
4 Three-Bedroom Units	30%	\$419
4 Three-Bedroom Units	40%	\$559
20 Three-Bedroom Units	50%	\$699
12 Three-Bedroom Units	59%	\$828
1 Two-Bedroom Unit	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$15,775,944 Per Unit Cost: \$194,765

Permanent Financing

<u>Source</u>	<u>Amount</u>
RHS 538	\$4,058,518
Sellers Note	\$1,100,000
Deferred Developer Fee	\$750,531
TCAC ARRA Funds	\$9,866,895
TOTAL	\$15,775,944

Income and Expense Statement for Year 1

Gross Residential Rents:	\$596,256
Miscellaneous Income:	\$19,440
Less Vacancy Rate: 5%	(\$30,785)
Total Effective Gross Income:	\$584,911
Less Total Expenses/Reserves:	\$276,750

Net Operation Income:	\$308,161
Debt Service:	\$267,966
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.

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