

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2009 Cash in Lieu of Credits – Section 1602 Funds
January 27, 2010

Project Number CA-2010-502

Project Name Aparicio Apartments
Address: 301 & 332 Ellwood Beach; 127 & 145 Orange; 120 Magnolia
Goleta, CA 93117 County: Santa Barbara

Applicant Information

Applicant: Aparicio Community Apartments, L.P.
Contact Bob Havlicek
Address: 815 West Ocean Avenue
Lompoc, CA 93436
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General Partner Type: Nonprofit
The general partners or principal owners are the Housing Authority of the County of Santa Barbara and Surf Development Company.

Project Information

Housing Type: Family (Non-targeted for ARRA competition)
Construction Type: Acquisition and Rehabilitation
Rental/Operating Subsidy: 100% (53 units – Housing Authority of the County of Santa Barbara
Project-based Section 8 Vouchers)
HCD MHP Funding: No
Total # of Units: 54
Total # Residential Buildings: 5
Federal Setaside Elected: 40%/60%
% & No. of Targeted Units: 100% - 53 units
Proposed Average Affordability: 58.4775% (without incorporating rental subsidy)

Davis-Bacon Required: No

NEPA Required: No

State Prevailing Wages Required: Yes (based on ARRA 1602 funds)

15% Prevailing Wage Adjustment: \$429,750 ((\$0 Site Work + \$2,865,000 Structures) X 15%)

2009 TCAC Project Number: CA-2009-859

2009 Annual Federal Tax Credits Reserved: \$434,000

2009 Federal Reserved Tax Credits Exchanged/Returned: \$434,000

Original Net Equity Factor: (maximum \$0.80 for 2009) \$0.72 Fed

Calculated/Requested Amount of ARRA Funds: (\$433,990 X 10 X \$0.80) = \$3,471,200

Total Cash Award Recommended: \$3,900,950 (\$3,471,200 ARRA 1602 Funds + \$429,750 Prevailing Wage Adjustment)

ARRA Scoring Criteria	Max. Possible Points	Points Awarded
<i>Housing Type Points (Maximum of 50 points)</i>		
<input type="checkbox"/> Non-Targeted Project	0	0
<i>Total Project Cost/Cash Request Points (Maximum of 100 points)</i>		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$13,434,770		
Cash Award Request: \$3,471,200		
Total Points Awarded: $100 - (\$3,471,200 / \$13,434,770 \times 100) = 74.1626$	100	74.1626
<i>Total Average Affordability Points (Maximum of 100 points)</i>		
Project's Average Affordability – Including Rental Subsidy: 40.0000%		
$60\% - \text{Average Affordability} \times 5 \text{ Points} = (60\% - 40.0000\%) \times 5 = 100$	100	100
<i>Total 15-Year Project-Based Rental Assistance Points (Maximum of 25 points)</i>		
<input checked="" type="checkbox"/> Project with 100% 15-Year Project-Based Rental Assistance = 25 points	25	25
Total Points	275	199.1626

Income/Rent Targeting

55-Year Use/Affordability Restriction: Yes

Number of Units @ or below 50% of area median income: 53

<u>Unit Type & Number</u>	<u>2009 Rents Targeted % of Area Median Income</u>	<u>Proposed Rent (including utilities)</u>
1 Studio Unit	50%	\$681
4 Studio Units	50%	\$681
3 One-bedroom Units	50%	\$729
2 One-bedroom Units	50%	\$729
22 One-bedroom Units	50%	\$729
12 One-bedroom Units	50%	\$729
1 Two-bedroom Unit	50%	\$875
4 Two-bedroom Units	50%	\$875
1 Two-bedroom Unit	50%	\$875
3 Two-bedroom Units	50%	\$875
1 Three-bedroom Unit	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$13,863,520 Per Unit Cost: \$256,750

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
US Bank	\$6,600,000	US Bank	\$2,250,000
HA of the County of Santa Barbara	\$4,937,358	HA of the County of Santa Barbara	\$7,100,000
HA of the County of Santa Barbara	\$210,966	HA of the County of Santa Barbara	\$210,966
Deferred Developer Fee – Co. of S.B.	\$749,007	Deferred Developer Fee – Co. of S.B.	\$402,604
TCAC ARRA Award (40%)	\$1,560,380	TCAC ARRA Award (1602 Funds)	\$3,900,950
		TOTAL	\$13,863,520

Income and Expense Statement for Year 1

Gross Residential Rents:	\$521,856 - includes rental subsidy
Total Rental Subsidy Income:	\$0
Miscellaneous Income:	\$16,200
Total Vacancy Rate Loss:	(\$26,903)
Total Effective Gross Income:	\$511,153
Less Total Expenses/Reserves:	\$315,906
Net Operation Income:	\$195,247
Debt Service:	\$161,879
Net Cash Flow	\$33,369
Debt Service Ratio:	1.20 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.