

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE
Project Staff Report
2009 Cash in Lieu of Credits - Section 1602 Funds
July 8, 2009
REVISED – 11-23-09

Project Number CA-2009-525

Project Name Galt Place Senior Apartments
Site Address: East side of 4th Street between D & E Streets
Galt, CA 95632 County: Sacramento
Census Tract: 0095.04

Applicant Information

Applicant: Downtown Galt Place Associates
Sponsor: Cyrus Youssefi
Address: 1006 Fourth Street, Suite 701
Sacramento, CA 95814
Phone: (916) 446-4040 Fax: (916) 446-4044
Email: cfyinc@yahoo.com

General Partner Type: Joint Venture

The general partner(s) or principal owner(s) are Community Revitalization and Development Corp., Cyrus Youssefi, and Egis Group, Inc., a CA S-Corp.

Information

Housing Type: Senior
Proposed Average Affordability: 51.98%

Project Information

Construction Type: New Construction
Total # of Units: 81
Total # Residential Buildings: 1

Davis-Bacon or 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

15% Prevailing Wage Adjustment: **\$1,350,075** Site Work + Structures x 15% = Total Prevailing Wage Adjustment
(\$1,433,500 + \$7,567,000) X 15% = \$1,350,075

2008 TCAC Project Number: CA-2008-141

Original 2008 Federal Tax Credits Allocated: \$1,196,609

2008 Federal Tax Credits Exchanged/Returned: \$1,196,609

Applicable Fraction: X .85

Amount of Financing Requested: \$10,171,177 ((\$1,196,609 X .85) X 10)

Amount of Prevailing Wage Augmentation Requested: \$1,350,075

Revised ARRA Cash Request: \$11,521,252 (\$10,171,177 + \$1,350,075)

Cash Award Recommended: \$11,521,252

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%	\$399
16 One-bedroom Units	50%	\$665
32 One-bedroom Units	55%	\$732
10 One-bedroom Units	60%	\$798
2 Two-bedroom Units	30%	\$478
4 Two-bedroom Units	50%	\$798
8 Two-bedroom Units	55%	\$878
2 Two-bedroom Units	60%	\$958
1 Two-bedroom Unit	Manager's Unit	\$900

Project Financing

Estimated Total Project Cost: \$21,006,410 Per Unit Cost: \$244,839
 Estimated Residential Cost: \$19,831,989
 Estimated Commercial Cost: \$1,174,421

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Washington Mutual Bank	\$9,742,720	Permanent Loan	\$4,900,000
City of Galt RDA	\$2,500,000	City of Galt RDA	\$2,500,000
Deferred Developer Fee	\$1,980,878	Deferred Impact Fees	\$1,500,000
TCAC ARRA Funds	\$6,256,863	Deferred Developer Fee	\$585,158
		TCAC ARRA Funds	\$11,521,252
		TOTAL	\$21,006,410

Income and Expense Statement for Year 1

Gross Residential Rents:	\$659,136
Miscellaneous Income:	\$61,270
Less Vacancy Rate: 5%	\$(36,020)
Total Effective Gross Income:	\$684,385
Less Total Expenses/Reservies:	\$275,270
Net Operation Income:	\$409,115
Debt Service:	\$340,079
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.