

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

Project Number CA-2010-508

Project Name Glenoaks Gardens
Address: 8925-8933 Glenoaks Boulevard
Los Angeles, CA 91352 County: Los Angeles

Applicant Information

Applicant: Glenoaks Gardens, L.P.
Contact Stephanie Klasky-Gamer
Address: 7843 Lankershim Boulevard
North Hollywood, CA 91605
Phone: (818) 255-2700 Fax: (818) 255-2770
Email: Stephanie@lafh.org

General Partner Type: Nonprofit
The general partner or principal owner is L.A. Family Housing Corporation.

Project Information

Construction Type: New Construction
Federal Subsidy: Tax-Exempt / HOME / HUD Section 8 Project-based Vouchers
HCD MHP Funding: Yes
Total # of Units: 61
Total # Residential Buildings: 1
Federal Setaside Elected: 40%/60%
% & No. of Targeted Units: 100% - 60 units

Information

Housing Type: Special Needs **Proposed Average Affordability:** 40.000%

Davis-Bacon Required: Yes

NEPA Required: Yes

State Prevailing Wages Required: Yes No

15% Prevailing Wage Adjustment: \$0

2009 TCAC Project Number: CA-2009-840

2009 Annual Federal Tax Credits Reserved: \$697,710

2009 Federal Reserved Tax Credits Exchanged/Returned: \$697,610

2009 Federal Reserved Tax Credits Retained: \$100

Original Net Equity Factor: (maximum \$0.80 for 2009) \$0.73639 Fed

Calculated Amount of Cash Requested: $(\$697,610 \times 10 \times 0.73639) = \$5,137,130$

Total Cash Award Recommended: \$5,137,130* ARRA TCAP Funds

* ~~\$5,137,130 will consist of \$3,547,202 (Section 1602 Funds) & \$1,589,928 (TCAP Funds).~~

ARRA Scoring Criteria	Max. Possible Points	Points Awarded
Housing Type Points (Maximum of 50 points)		
<input checked="" type="checkbox"/> Special Needs Project	50	50.000
Total Project Cost/Cash Request Points (Maximum of 100 points)		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$20,393,540		
Cash Award Request: \$5,137,130		
Total Points Awarded: $100 - (\$5,137,130 / \$20,393,540 \times 100) = 74.8100$	100	74.8100
Total Average Affordability Points (Maximum of 100 points)		
Projects Original Proposed Average Affordability: 40.0000%		
60% - Average Affordability X 5 Points = $(60\% - 40.0000\%) \times 5 = 100$	100	100.0000
Total 15-Year Project-Based Rental Assistance Points (Maximum of 25 points)		
<input checked="" type="checkbox"/> Project with Less than 100% 15-Year Project-Based Rental Assistance: 25 Points – ((100% minus 88.3333%) divided by 2, then result rounded down)	25	19.0000
Total Points	275	243.8100

Income/Rent Targeting

55-Year Use/Affordability Restriction: Yes
 Number of Units @ or below 50% of area median income: 61

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)
60 SRO/Studio Units	50%	\$693
1 Two-bedroom Unit	Manager's Unit	\$0

Project Financing

Estimated Total Project Cost: \$20,393,540 Per Unit Cost: \$334,320

Construction Financing		Permanent Financing	
Wells Fargo Bank	\$11,660,000	CalHFA – MHSA	\$4,500,000
CalHFA – MHSA	\$4,500,000	HCD – MHP	\$6,224,895
LAHD–Perm. Supportive Housing	\$1,885,572	LAHD – PSHP	\$4,130,649
General Partner Equity	\$100	Deferred Developer Fee	\$399,966
Deferred Developer Fee	\$293,016	General Partner Equity	\$100
TCAC ARRA Funds	\$2,054,852	Investor Equity	\$800
		TCAC ARRA Funds (Section 1602)	\$3,547,202
		TCAC ARRA Funds (TCAP)	\$1,589,928
		TCAC ARRA Funds (TCAP)	\$5,137,130
		TOTAL	\$20,393,540

Income and Expense Statement for Year 1

Gross Residential Rents:	\$498,960
Rental Subsidy Income:	\$67,242
Miscellaneous Income:	\$3,660
Vacancy Rate: 10%	(\$52,979)
Total Effective Gross Income:	\$516,884
Less Total Expenses/Reserves/Taxes:	\$460,692
Net Operation Income:	\$56,192
Debt Service:	\$45,045
Net Cash Flow	\$11,147
Debt Service Ratio:	1.25 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 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.~~

~~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.~~