

**CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE**  
**Project Staff Report**  
**2009 Gap Financing – Section 1602 Funds**  
**January 27, 2010**

**Project Number** CA-2010-515

**Project Name** Paseo Santa Barbara  
**Address:** 210 W. Santa Barbara Street  
Santa Paula, CA 93060 County: Ventura

**Applicant Information**

**Applicant:** Cabrillo Economic Development Corporation  
**Contact** Bernardo M. Perez  
**Address:** 702 County Square Drive  
Ventura, CA 93003  
**Phone:** (805) 659-3791 x.115 Fax: (805) 659-3195 Email: bperez@cabrilloedc.org

**General Partner Type:** Nonprofit  
The general partner or principal owner is Cabrillo Economic Development Corporation.

**Project Information**

**Housing Type:** Large Family  
**Construction Type:** New Construction  
**Rental/Operating Subsidy:** 52% (38 units - USDA RHS 514)  
**HCD MHP Funding:** Yes  
**Total # of Units:** 74  
**Total # Residential Buildings:** 11  
**Federal Setaside Elected:** 40%/60%  
**% & No. of Targeted Units:** 100% - 73 units  
**Proposed Average Affordability:** 45.7686%

**Davis-Bacon Required:** No

**NEPA Required:** Yes

**State Prevailing Wages Required:** Yes

**15% Prevailing Wage Adjustment:** N/A

**2009 TCAC Project Number:** CA-2009-842

**2009 Annual Federal Tax Credits Reserved:** \$824,892

**2009 Federal Tax Credits Retained:** \$824,892

**Amount of Gap Financing Requested:** \$989,870

**Calculated Amount of Gap Financing (\$0.12 max.):** \$989,970 (\$824,892 X 10 X \$0.12) = \$989,970

**Current Net Equity Factor:** \$0.762 Fed (\$0.882 including Gap funds)

indicated in ARRA application)

**Original Net Equity Factor:** \$0.762476 Fed (\$0.882476 including Gap Funds indicated in tax credit application)

**Amount of Gap Financing Recommended:** \$989,870 ARRA 1602 Gap Funds

ARRA Scoring Criteria	Max. Possible Points	Points Awarded
<b>Housing Type Points (Maximum of 50 points)</b>		
<input checked="" type="checkbox"/> Large Family	<b>10</b>	<b>10</b>
<b>Total Project Cost/Cash Request Points (Maximum of 100 points)</b>		
<input checked="" type="checkbox"/> Other Project		
Total Project Cost: \$28,500,626		
Cash Award Request: \$989,870		
Total Points Awarded: $100 - (\$989,870 / \$28,500,626 \times 100) = 95.5268$	<b>100</b>	<b>95.5268</b>
<b>Total Average Affordability Points (Maximum of 100 points)</b>		
<b>Projects Original Proposed Average Affordability: 45.7686%</b>		
$60\% - \text{Average Affordability} \times 5 \text{ Points} = (60\% - 45.7686\%) \times 5 = 100$	<b>100</b>	<b>71.1570</b>
<b>Total 15-Year Project-Based Rental Assistance Points (Maximum of 25 points)</b>		
<input checked="" type="checkbox"/> Project with Less than 100% 15-Year Project-Based Rental Assistance: 52%	<b>25</b>	<b>1</b>
25 Points – ((100% minus 52%) divided by 2), then result rounded down)		
<b>Total Points</b>	<b>275</b>	<b>178.6838</b>

**Income/Rent Targeting**

55-Year Use/Affordability Restriction: Yes  
 Number of Units @ or below 35% of area median income: 36  
 Number of Units @ or below 50% of area median income: 9  
 Number of Units @ or below 55% of area median income: 7  
 Number of Units @ or below 60% of area median income: 21

<u>Unit Type &amp; Number</u>	<u>2009 Rents % of Area Median Income</u>	<u>Proposed Rent</u> (including utilities)
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9	One-bedroom Units	35%	\$574
10	Two-bedroom Units	35%	\$690
17	Three-bedroom Units	35%	\$796
2	One-bedroom Units	50%	\$820
3	Two-bedroom Units	50%	\$985
4	Three-bedroom Units	50%	\$1,137
7	One-bedroom Units	55%	\$884
7	Two-bedroom Units	60%	\$1,182
14	Three-bedroom Units	60%	\$1,364
1	Three-bedroom Unit	Manager's Unit	\$0

**Project Financing**

Estimated Total Project Cost: \$28,500,626 Per Unit Cost: \$385,144

Construction Financing		Permanent Financing	
Source	Amount	Source	Amount
Wells Fargo Bank – Mortgage	\$15,058,000	CCRC	\$3,648,000
HCD Joe Serna	\$3,500,000	USDA RHS 514	\$3,000,000
HCD Infill Infrastructure	\$2,743,000	HCD MHP	\$4,971,396
Federal Home Loan Bank – AHP	\$555,000	HCD Joe Serna	\$3,500,000
Santa Paula RDA	\$400,000	HCD Infill Infrastructure	\$2,743,000
GP – CEDC Loan (NW Funds)	\$540,000	Federal Home Loan Bank – AHP	\$555,000
Costs deferred until completion	\$690,396	Santa Paula RDA	\$400,000
Deferred Developer Fee	\$1,863,760	CEDC GP Loan	\$540,000
Investor Equity	\$2,160,600	Deferred Developer Fee	\$2,196,325
TCAC ARRA Award	\$989,870	Investor Equity	\$5,957,035
		TCAC ARRA Award (1602 Gap)	\$989,870
		<b>TOTAL</b>	<b>\$28,500,626</b>

**Income and Expense Statement for Year 1**

<b>Gross Residential Rents:</b>	\$748,331
<b>Total Rental Subsidy Income:</b>	\$131,614
<b>Miscellaneous Income:</b>	\$0
<b>Total Vacancy Rate Loss:</b>	(\$43,998)
<b>Total Effective Gross Income:</b>	\$835,946
<b>Less Total Expenses/Reserves:</b>	\$358,826
<b>Net Operation Income:</b>	\$477,120
<b>Debt Service:</b>	\$414,878 *
<b>Net Cash Flow</b>	\$62,242
<b>Debt Service Ratio:</b>	1.21 to 1

\* Includes conventional debt service, USDA & HCD-MHP debt service, and annual issuer fee.

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.